



# THE INDEPENDENT

PUBLISHED IN SCOTLAND

FRIDAY 26 APRIL 1996

40p (IR 45p)

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## VAT man to pay back £5 billion

By David Milne and Diane Coyle

Big High Street chains and department stores are looking forward to a £5bn windfall after a landmark court ruling yesterday which threatens the Government's tax-cutting plans.

News of the bonanza follows an Appeal Court ruling that the Customs and Excise had been wrong in charging value-added tax on "interest-free" credit deals since the tax was introduced in 1973.

But the ruling could put Chancellor Kenneth Clarke's plans to cut taxes in the next Budget at risk. The estimated £5bn in tax and interest the Government would have to repay in the worst case is the equivalent of 2.5p off the basic

rate of income tax. It could also lose an additional several hundred million pounds a year from its expected revenues.

Companies that could benefit from the ruling include Dixons and Currys leading department stores, such as the John Lewis Partnership; and the major car dealers, such as Reg Vardy and Cowie Group.

Although the Treasury said last night that the figure of £5bn was "wildly exaggerated" the blow to the public finances comes at a time when there is already a serious shortfall in VAT revenues, which currently stand at about £43bn a year. In the financial year just ended they were nearly £6bn lower than the Treasury had estimated little over a year ago, and £750m below the estimate

in last November's Budget.

The new gap in the revenues also comes on top of an extra £300m the Government will have to pay in compensation for the BSE scare. Moreover, another case concerning VAT on cars shortly to come before the courts could cost the Customs and Excise as much as £25bn.

City experts last night said the Government's finances were looking increasingly precarious. "If this ruling is upheld, it would have no implications for ongoing tax plans," said Adam Cole at brokers James Capel.

Leading Eurosceptic Tory MP Bill Cash said: "If it does mean a multi-billion pound pay-back, the impact on our



Kenneth Clarke: Budget plans may be at risk

budget would be a substantial setback to our chances of winning the election with tax cuts.

The only silver lining for the Government is that shops will be able to pass on the benefits of the ruling to their customers, helping reduce prices. The types of goods often sold with interest-free credit account for 10 per cent of the retail price index, so lifting VAT on the loans would reduce inflation a little.

The decision by Lords Justices Stuart-Smith and Hutchison reverses earlier VAT Commission and High Court rulings. VAT experts described the decision as a significant defeat for the Customs. It follows last week's loss in a VAT tribunal case brought by BT over VAT paid on the delivery charges for company cars—a decision against which Customs is appealing in the High Court.

In a further, and potentially far more damaging, case Customs is litigation brought in the name of former drinks company Allied-Lyons. Peter Jenkins, VAT specialist with accountants Ernst & Young, which advised BT, said that Allied-Lyons was challenging a Customs "blocking order" to prevent British companies reclaiming VAT on their cars in the way that the tax on other goods and services can be reclaimed under the European VAT directive. If it is successful, the cost to Customs could be £15bn to £25bn. "There does seem to be a bad run of cases for Customs," he added.

Customs and Excise has been given leave to appeal to the House of Lords against the ruling, and says it will vigorously contest the finding. It also points out that it will only have to meet the estimated £6bn claim from the furniture company which brought the test case before the outcome of the House of Lords hearing is known.

However, advisers are suggesting that companies should be preparing to make claims for repayment. How much they can seek will depend on how far back their records stretch. But Mr Jenkins suggested that the records need not be too detailed, so long as they contained evidence of sales and financing arrangements.

The Kingsway Furniture Group, parent to Primark, the liquidated company at the centre of the case that came to the High Court in July 1994, estimates it could be in a position

to claim back about £6m. Though the size of repayments will depend on the amount of "interest-free" credit business, the extensive use of such deals to increase sales during the recession means that all kinds of companies will be able to bring claims if the Customs and Excise fails in its appeal.

Clare Mainprice, of Mainprice and Co, the firm that represented Primark, said: "This is going to mean refunds, with interest, for many large and small companies. The major high street stores have used interest-free credit deals as a major selling tool during the recession. Because the big chains have done it, small retailers have had no choice but to do the same in order to compete."

## IRA bomb signals no peace before general election

By David McKitterick and Jojo Moyes

The IRA attempt to explode a large bomb under Hammersmith bridge is being seen by informed sources in Belfast as final confirmation that terrorist have given up on the Irish peace process this side of the next British general election.

All the signs are that the republican analysis is that the Major government, with its slender majority in the Commons has "her the inclination nor the strength to make any bold move on Ireland."

The bomb which partially exploded at Hammersmith Bridge on Wednesday night contained more than 300lbs of high explosive, making it the biggest high explosive bomb planted in Britain, Scotland and Ireland.

It underlined the republican determination to pursue the post-ceasefire campaign with vigour, rather than plant small devices as reminders of their presence.

No one in the republican camp views the election of a new Labour government as a panacea, since they regard previous Labour administrations as having had a Unionist tinge. But the sense is that the present situation is without the potential for movement.

Republicans are also hopeful that the next Dublin general election will see the removal from government of the present Taoiseach John Bruton, whom they regard as hostile to republicanism. Most would wish to see the return to power of the Fianna Fail party, which they consider to have made a valuable contribution to the peace process.

The logic of this is that no new ceasefire is to be expected.



IRA target: Hammersmith bridge in west London

The bomb was clearly an attempt at an IRA "spectacular" by staging an attack on a high-profile target which would cause major damage and widespread traffic disruption.

It came on the 80th anniversary of the Easter Rising against British rule in Ireland in Dublin on 24 April, 1916, a key date in the Irish republican calendar.

Scotland Yard said there was no doubt that the bomb, made up of two devices thought to contain Semtex, was designed to kill, cause serious injury and major structural damage. Although there were two small explosions, the bomb did not detonate. It is thought the deflator may have gone off but failed to set off the main device.

A Yard spokeswoman said yesterday that the devices were each contained in a briefcase-sized box. They were being examined by forensic experts. "The devices are believed to have contained upwards of 300lbs of high explosive. This is probably the biggest amount of high explosive ever to be placed on the mainland," she said.

Larger devices have been exploded on the mainland, such as those in Docklands in February and at Bishopsgate in 1993, but they were constructed from fertilizer-based explosives. Semtex is the most powerful explosive in the IRA armoury.

The spokeswoman said: "These devices would have caused a very large explosion and there's no doubt that they were made to kill, cause injury and major structural damage to Hammersmith Bridge as well as enormous disruption to London and its community."

In March, 1939, an attempt was made to destroy the bridge using a bomb planted in a suitcase.

to allow Sinn Fein entry into the inter-party talks which are due to begin on 10 June.

The Hammersmith bomb is seen as confirming that republicans are intent on stepping up their violence, particularly in Britain.

An indication of republican thinking was given by Martin McGuinness, a key figure in Sinn Fein when he said this week: "I don't believe that John Major is the British prime minister who will move decisively to resolve this conflict. I think that in reality we're actually sitting here hoping that the quicker there's a British general election the better, so that we can then move on and deal with whoever else comes into power."

In London, anti-terrorist police issued an urgent call for vigilance after the Hammersmith device went off on a towpath under the west London bridge.

## Victory for love as murder charge is quashed



Jonathan Jones with his girlfriend Cheryl Toose outside the High Court in London yesterday after his convictions of killing her parents were quashed. Photograph: Martin

## New crackdown on paedophiles

By Nicholas Timmins and Rebecca Fowler

Victims of the abusers

The Government is drawing up plans to track convicted paedophiles and set up a register for care workers tested after children in a new crackdown on child abuse.

The proposals aim to prevent convicted paedophiles from seeking work with children and will introduce tougher vetting for all staff who care for young people. The moves follow a recent campaign by the Independent calling on the Government to act to prevent the scandal of abuse in children's homes.

John Bowis, Health minister, said yesterday that the proposals would be published shortly. He promised "constructive" consultation on the idea of creating a General Social Services Council to enforce standards. Social workers and others working with vulnerable children and adults would have to register with the council which would have the power to strike off those who abused their position.

Public concern over the issue has been growing after the scandal in Chwyd, the massive police investigation into sex abuse in homes in Cheshire, and the Independent's recent campaign which had Kubbisa, the president of the Association of Directors of Social Services, said yesterday that there was "very helpful".

The Home Office will shortly publish a consultation paper which will include proposals to make it a criminal offence for child sex offenders to change address without notifying the police, and to prohibit them from seeking work with children.

Ministers have been under mounting pressure for failing to act after proposals which they commissioned on how to set up a social services council have been with the Department of Health since last summer.

Mr Bowis told the association's spring conference in

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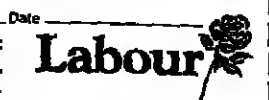
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### IN BRIEF

#### Teacher strike over disruptive boy lifted

Teachers lifted a threatened strike over a disruptive 13-year-old boy last night after a last-minute deal was struck to keep him out of lessons. Staff at Glaisdale school in Nottingham had been due to stop work indefinitely from today in protest at the excluded boy's return to school. Page 5

#### Today's weather

Bright and warm in southern and central regions. Clouds in northern regions and in Scotland. Section Two, page 25



## Parents warned of peanut risk to children

LIZ HUNT

Health Editor

Parents were warned yesterday not to give very young children peanuts or other nuts as new research revealed that many were developing potentially life-threatening allergies.

The allergies are becoming more common as nuts are used as "hidden" ingredients in a growing range of everyday foods. Allergy specialists are calling for detailed product labelling of all foods known to contain even minute amounts of peanuts or nuts.

The findings also highlight the danger of giving peanut butter to babies. More than a third of the nut allergy cases reported occurred in children under two, most of whom were given

the spread in the first 12 months of life.

But doctors say milk from mothers who eat peanuts also poses a greater risk of the child developing an allergy, and call for more research into baby milks and infant foods which contain peanut oils to determine if they can trigger an allergy.

Allergy specialists say that avoidance of peanuts/nuts by young children is the only safeguard, particularly by those with other allergies such as hayfever, asthma, and eczema who are at greater risk.

However, they warn that avoidance is difficult to achieve as nuts are a "hidden" ingredient in many foods, including cereals, chili and spaghetti sauces, gravy mixes, oriental dishes, pastries, sweets and ice-creams.



Deaths in healthy young people from peanut/nut allergy are rare but becoming more frequent. Six patients died of peanut allergy in 1993.

In one of the most detailed investigations of peanut/nut allergies to date, Dr Pamela Ewan from Addenbrooke's Hospital NHS Trust in Cambridge, studied 62 cases of peanut/nut allergy in patients at the Allergy Clinic over one year.

According to a report in tomorrow's *British Medical Journal*, 23 patients were aged between 11 months and five years, and 52 in all were under the age of 18. The 10 adults were aged between 19-32.

Dr Ewan found that peanuts were the most common cause of allergy (47), followed by Brazil nut (18), almond (14), and hazelnut (13). (Some patients showed multiple nut allergies.) Peanuts accounted for all allergies in children sensitised in the first year of life and for

82 per cent of allergies in children by the third year of life. The most common symptom of allergy was swelling of the airways, face, and lining of the mouth, and in fatal cases, asphyxia was the cause due to swelling in the throat.

Peanuts are the leading cause of food allergy in the United States and, together with other nuts, are probably the leading cause of fatal and near fatal shock (anaphylaxis) reactions induced by food.

Peanuts are more popular there than in the UK, and the average American consumes 11lb a year. But the growing range of peanut products, and peanuts as an ingredient in convenience and junk foods, is believed to be behind the surge in cases there.

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# Who will protect us from the Moral Minority?

Most of the time the collection of has-beens, yet-to-bes and hope-once-more-to-becomes on the Government backbenches are whipped ruthlessly into vote after vote. Who can forget the tears of young Bernard Jenkin (Euro-sceptic, Colchester) following his brutal treatment over Maastricht? It still brings a smile to my face.

But once a year or so the leash is loosened, and the Government indulges its backbenchers – and indeed cabinet ministers – by allowing them a “free vote”. Which means that they are permitted – without fear of excommunication, loss of privileges or expulsion from

that meaningless junior ministerial post – to vote the way their conscience (or sense of political self-preservation) dictates.

The Divorce Bill on Wednesday night was such an occasion. Other recent free votes have been over capital punishment, Sunday trading and abortion rights. These are “matters of conscience”, where (so the legend runs) it would somehow be indecent to coerce members to vote against their deeply felt principles.

And they are odd bedfellows. I can see why the question of whether the state has the right to take life is a matter which causes real personal anguish.

But the length of the cooling-off period for divorce cases? Are there really groups of Britons who shout, “give us eighteen months, or give us death!”? (Aside from Anne Widdecombe, that is).

And why is this allowance for conscience so selective? Will those of us embracing shamanism be given free votes on transport policy, so as to protect the spirits of trees, rocks and pools from the road-building programme? Is not the question of, say, alleviating poverty a “matter of conscience”?

In the case of the Divorce Bill the suspicion has been all along that the Government – taken

back by the scale of opposition to its proposals on its own benches – agreed to a free vote, calculating that Opposition MPs would ensure that it passed unamended. But on Wednesday night they didn't.

So when the Prime Minister arrived for Question Time yesterday he looked weary and fed up. Dame Jill Knight (a keen eighteen monther) tried to make it up to him. In a soothing voice she praised his stance on landmines, but urged him to use “his considerable influence to achieve a worldwide ban”. He thanked her in hollow tones, perhaps wondering why Dame Jill thought he could talk the Chinese Red Army out of using landmines, but not persuade the Home Secretary to support the Lord Chancellor.

Over the divorce fiasco itself he had only one strategy open to him – The Good Loser. Which ran roughly thus: great debate; finest traditions of the

House; best side won: no hard feelings. This England soccer manager approach cut no ice with Killer Blair. It was yet another example of the Government's feeble, faltering, incompetent, humiliating, divided, decaying and generally not very good state. Cabinet members voting against one of the government's very own measures. The shame!

“Aha”, said Major, would Mr Blair not allow cabinet ministers to exercise a free vote, then? This was “the new, automatic Labour party. If someone strays a signed statement of retractions is put out in their names the same day”. Labour

bottoms on benches behind the Great Leader shuffled uncomfortably. It was a palpable hit. But it was something else that worried me. As some Conservatives noisily pointed out, the Labour leader and many of his colleagues had failed to register any vote at all on the lost amendment. “Now this is a novel constitutional proposition”, rejoined Blair, “that I should turn to help save the Government from its own cabinet members!” Yes, Tony, nice party political point. But who then is to save the rest of us from the peculiar consciences of the Moral Minority? We do not get free votes.

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## IN BRIEF

### Woman, 25, quizzed over baby in dunes

Detectives were last night questioning a 25-year-old woman about the death of a newborn baby boy whose body was found in sand dunes. The woman came forward after it was reported that the baby had been found near the north promenade at St Anne's, near Blackpool.

Lancashire Police launched a murder inquiry after the body was discovered at 8pm on Wednesday, wrapped in pink towels and a copy of the local evening paper. A post-mortem examination confirmed the baby was born alive, but died just hours later. A woman, driving a white Toyota Supra, was seen “carrying something” at the spot earlier, said police.

### Army defeated

Ministry of Defence proposals for heavy weapons training in the heart of a national park have been turned down by councillors. Northumberland County's policy and resources committee decided the £25m project to operate AS90 guns and multi-launch rocket systems in the Otterburn training area would devastate the environment. The Army may seek a public inquiry.

### Mast imperfect

Sir Andrew Lloyd Webber has lost his battle to prevent a radio mast being put up on land owned by his neighbour, the Earl of Caernarvon. The battle between the aristocrat and the composer broke out after Vodafone applied to put the 12-metre high radio mast at Beacon Hill, near Newbury, Berks. But Basingstoke and Deane borough council backed the plan.

### 'Dead' widow home

A widow who was pronounced dead by a doctor has left hospital. A hearse had arrived to collect the body of Maureen Jones, 59, from her home in Humberstone on 17 April when a policeman saw one of her legs twitch. She was in a deep diabetic coma and legal action is now being considered.

### Open and shut case

A security guard was so upset at losing his home in a divorce settlement that he walked away with the front door in the middle of the night, a court heard. Peter Jones, 45, admitted threatening behaviour and criminal damage to a phone line. He was fined £100 and ordered to pay £40 prosecution costs by magistrates at Swansea, West Glamorgan. He said later: “I thought I should be entitled to take the door away – I did fit it after all.”

### Newly-weds 'gassed'

A bird's nest stuck in a chimney caused the deaths of newly-weds at their honeymoon cottage, an inquest heard. Howard Davidson, 50, and his wife Linda, 45, of Wakefield, Yorkshire, were found dead with their pet dog from carbon monoxide poisoning in the holiday home near Camborne, Cornwall. The inquest at Helston recorded verdicts of accidental death.

### Rave scrapped

Britain's largest overnight rave party, due to have been held at Ot Moor in Oxfordshire over the May bank holiday has been cancelled following protests by police and local villagers. 25,000 young people were set to attend.

### London cab prices

Taxi fares in London will rise by about 4.59 per cent on average from Saturday. The new tariff will incorporate a minimum charge of £1.40 – including a hire charge of £1 – for the first 513 metres or 111 seconds, transport minister, Steven Norris, said.

### Abuse report

Buckinghamshire County Council has asked us to point out to *Independent*, Tuesday 23 April, that alleged abuse of mentally handicapped people in a private home in Buckinghamshire had not involved children or a children's home. Two people have been charged and await trial. Thames Valley Police and the council's social services department have completed a separate investigation into allegations about a children's home and have found no evidence to support them.

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## Farmers win right to fight EU beef ban

PAUL FIELD AND KATHERINE BUTLER

Farmers and meat traders yesterday won permission in the High Court to challenge the legality of the European Union worldwide export ban on British beef.

A judge ordered the case should be referred to the European Court of Justice – the only forum that can decide on the validity of the ban – after he has certified a question of law next Friday.

The National Farmers' Union formally won permission to seek a judicial review of Ministry of Agriculture and HM Customs and Excise refusals to issue health certificates for live animals destined for export and the decision to withdraw certificates required for the export of the meat of bovine animals slaughtered in the UK.

However, in effect, the ruling is a vehicle for Britain to seek a European Court of Justice ruling that the total ban on beef exports is a misuse of EU power.

Mr Justice Turner said: “It is manifestly a case which should receive consideration by the European Court at the earliest expedient moment.”

NFU director of policy, Ian Gardiner, warned that the case was unlikely to reach court for several months. “Every day

counts and we cannot expect to be heard there in a matter of weeks,” he said. “It is clear the Government understands our position. We are taking it very seriously. We mean business.”

If the legal action succeeds, claims for damages for heavy losses in the meat trade are likely to follow. The court heard how in 1995 the UK had exported beef and beef products worth £520m to other EU member states and the rest of the world.

The International Meat Trade Association welcomed the news but warned that even if the ban is reversed it could come too late for exporters. The organisation is protesting at the lack of Government assistance following the loss of their world market in the wake of the BSE crisis.

A spokesman said: “All the legal steps that have been taken are supported by the exporters. However the reality is that unless action is taken by the Government then we are still facing an irreversible collapse of the market.”

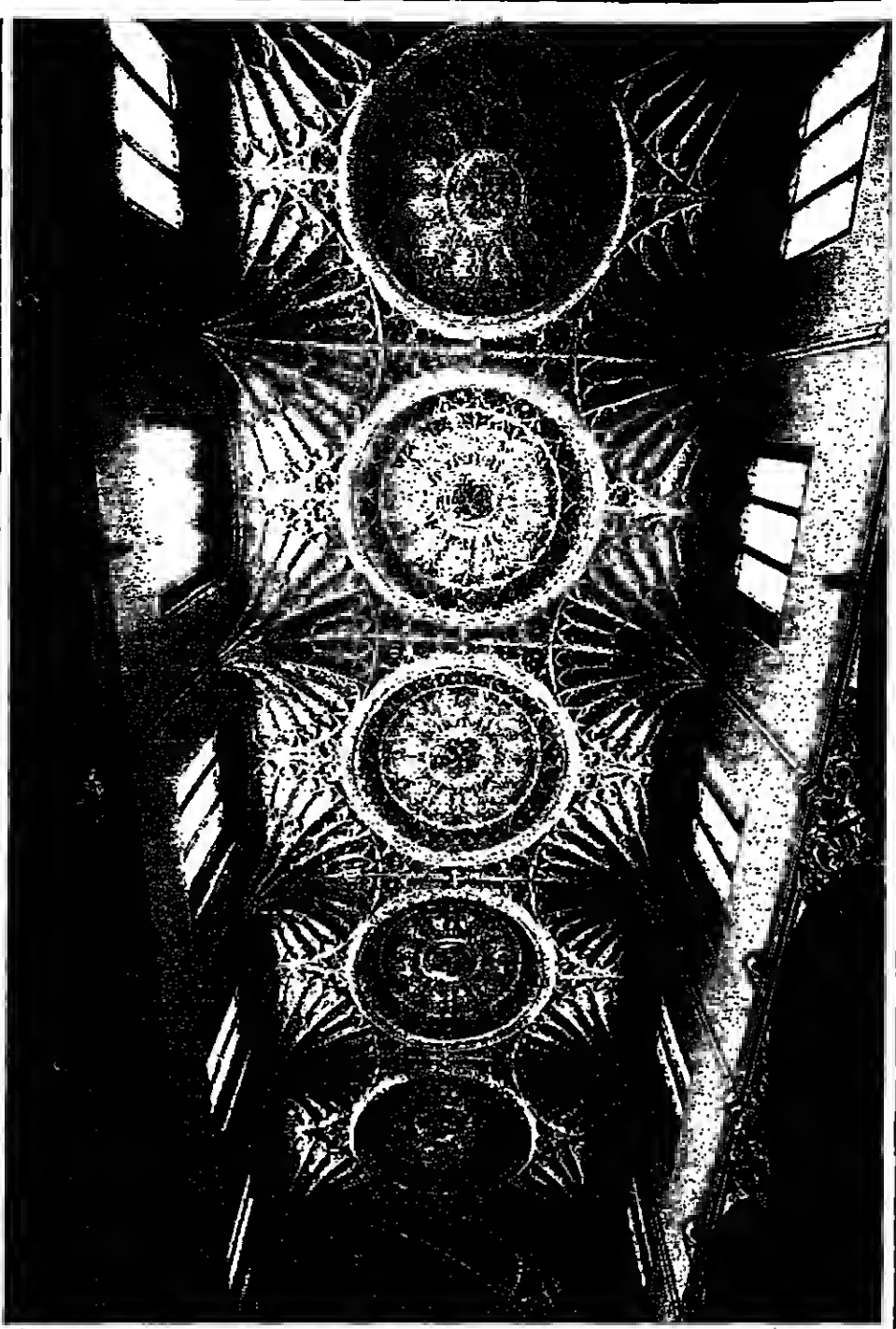
However, EU officials said last night that while the Government's plans to slaughter 42,000 cattle could lead to an easing of the trade ban next week, it will not secure its scrapping. The French agriculture minister, Philippe Vasseur, whose

government was the first to ban British beef, suggested some easing of the boycott might be possible but appeared to rule out any early return to normal trade.

Produced at the eleventh hour under pressure from the European Commission, the latest plans, costing at £84 million, would cut the incidence of BSE by between 15 and 30 per cent, the Government claims, but will not be implemented until the EU ban is lifted. Mr Hogg warned the Commission in an accompanying letter.

Officially, the Commission welcomed submission of the plan as a step in the right direction but privately officials said it was “minimal” and doubted it could do more than restore British exports of gelatine, tallow and perhaps bovine embryos and semen. They also expressed surprise that the plan was presented in the form of a discussion paper rather than a formal proposal and that lifting of the ban was being demanded by Britain as a *quid pro quo*.

Officials from the Ministry of Agriculture, Fisheries and Food are expected in Brussels today to supply clarification and detail sought by EU agriculture experts, who are preparing recommendations for Monday's meeting of farm ministers in Luxembourg.



Pilgrims' marker: St Mary Aldermary, off Bow Lane, central London, one of 30 churches by Sir Christopher Wren which form part of a walk organised by Friends of City Churches. The walk will visit all the city's churches. Photograph: Edward Sykes

## New action over abusers

FROM PAGE 1  
 Cambridge that the Home Office paper will shortly “canvass the full range of measures which could improve public protection against sex offenders, including additional supervision of offenders following their release from custody.”

Before the summer Parliamentary recess he will also publish a consultation document on ethical standards in social services and ways of enforcing them which will include the option of creating a “statutory ethical council” similar to the General Medical Council and the UKCC, the bodies which regulate doctors and nurses.

In addition, proposals to improve the DoH's much criticised index of known or suspected child abusers will finally be

published – an exercise Mr Bowis initiated last August. He stopped short of a full commitment to introduce a General Social Services Council, but said he was well aware of the growing support for the idea, despite some practical difficulties. These include the numbers who might have to be covered – up to 1 million in the difficulty of registering unqualified staff and the fact the GMC and UKCC have “never found it easy” to spot in advance those unsuitable to work with vulnerable children and adults. The two regulatory bodies have also not invariably seen it as reasonable to permanently bar those who they strike off. Mr Bowis pointed out – a reference to recent decisions by the UKCC to restore convicted rapists to the register.

Nonetheless, the consultation paper would “expose these issues constructively”, he said, adding “we recognise that they need tackling”.

His speech was described as “very positive” by Mr Kuhse, who said that with Labour committed in principle to introducing a regulatory council, “we are on the road at last, and it looks now as though we will get there”.

There remained important nuts and bolts issues to resolve, he said, “but we are moving in the right direction”. He also welcomed the Home Office consultation paper and moves to strengthen the health department's index. In the conflict between an individual's rights and the need to protect children, the former had too often “got in the way” of the latter, he said.

## Sir James in election promise to Tory MPs

COLIN BROWN  
 Chief Political Correspondent

Sir Teddy Taylor and leading Euro-sceptic Tory MPs have privately won assurances that they will not be challenged in the general election by candidates from Sir James Goldsmith's Referendum Party.

The informal deal, agreed in correspondence, will reopen the demands for the Tory party to do a deal over a referendum in spite of efforts by John Major to rule it out.

John Redwood, the champion of the Euro-sceptic right, who met Sir James on Wednesday, is seeking a compromise with Sir James by pressing the Government to make a commitment to renegotiate the Treaty of Rome, underpinning the European Union, as part of its demands for reform of the common fisheries policy, action against the ban on beef exports, and the European Court of Justice.

Kenneth Clarke, the Chancellor, yesterday threw his weight behind the Prime Minister's rejection of overtures to Sir James, and attacked Fleet Street editors as “way out Euro-sceptics” for a campaign of criticism of the Government's “drift” on European policy. The Chancellor warned MPs and editors they were playing a “dangerous” game by courting the financier's opinions.

Mr Clarke said Sir James had “maverick” views on crucial issues such as trade, and derided the demand for a Euro poll. “Common sense is that it is in our economic and political interest to be one of the great European powers,” Mr Clarke said on BBC radio.

The Chancellor also rejected growing Euro-sceptic pressure for a commitment to renegotiate the Treaty of Rome. “Some of them openly talk about amending the Treaty of Rome... and about entering into relationships with Europe which no-one else would agree with for the very simple reason that they would not work.”

The unrest over Europe continued yesterday as Euro-sceptic Tory MPs privately criticised Mr Major's speech to the Institute of Directors which attacked Sir James, without naming him, as living in “cloud cuckoo land” by calling for a referendum on Britain's withdrawal from the EU.

About 30 Tory Euro-sceptics who saw the Chief Whip, Sir Alastair Goodall, on Tuesday, criticised the apparent vacillation of the Government over Europe and the failure to take tougher action against the ban on exports of British beef.

## CJD death in France puts 'mad cow' link in doubt

The death of a Frenchman from a new strain of Creutzfeldt-Jakob Disease throws into doubt the causal link with so-called mad cow disease, researchers said yesterday.

The 26-year-old mechanic from Lyon showed symptoms and physical changes strikingly similar to those found in 10 British victims of an apparently new strain of the disease. It was these 10 cases that led experts to accept that BSE, or mad cow disease, had probably been transmitted to humans through infected beef.

CJD, the human equivalent of BSE, is one of a family of spongiform encephalopathy diseases which leave the brain riddled with holes.

The 10 cases which sparked

the panic were all unusually young, displayed out of the ordinary symptoms, and suffered distinctive physical changes in the brain.

Taking account of the disease's incubation period, it was likely they were infected at a time in the 1980s when large amounts of beef containing BSE were being eaten in Britain.

But now the death of the Frenchman – the first known victim of the new strain outside the UK – has placed a question mark over assumptions about a link between BSE and CJD.

The case was investigated by a team led by Professor Nicolas Kopp, from the Pierre Wertheimer hospital in Lyon.

In a letter published in the *Lancet* medical journal they

noted that the man had no contact with cattle, no family history that might have made him vulnerable to CJD, and had travelled abroad only once in 1990 to the south of Spain.

Unlike Britain, France did not have the high prevalence of BSE which might support the theory of a link with humans. Only 16 French cases of BSE had been reported.

The paper concludes: “This case questions the possible causal relationship between bovine spongiform encephalopathy (BSE) and the new CJD variant. If further similar cases occur in countries with a low BSE prevalence, the epidemiological argument for a link between BSE and CJD might be weakened.”

## Ministers defy Tory pressure to ditch divorce Bill

DONALD MACINTYRE  
 Political Editor

Ministers yesterday insisted the divorce reform Bill would continue through the Commons in the face of mounting pressure from senior Tory backbenchers to ditch it.

Downing Street was adamant the Bill would go ahead, despite the Government's dependence on Labour to ensure it becomes law. But last night Sir Marcus Fox, the chairman of the 1922 Committee said Lord Mackay should put the Bill “on the back-burner”.

Despite the opposition in a free vote of more than 100 Tory MPs to the removal of fault from divorce and a successful amendment forcing the Government to extend the required cooling-off period before divorce from one year to 18 months, Downing Street insisted the Bill would go ahead.

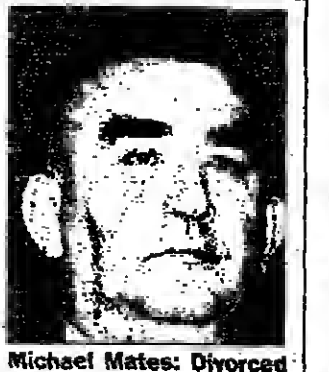
While the Bill has cleared a crucial hurdle, it still faces difficulties during the committee stage, with Labour seeking to secure the support of Tory

### How they voted

Conservatives who voted to extend the waiting period to 18 months included:  
 Michael Brown: the only openly gay Tory MP  
 David Faber: divorced  
 Sir Peter Fry: divorced after 26 years, 2 children  
 Roger Gell: twice divorced  
 Sir George Galloway: divorced  
 Sir John Hannam: divorced after 26 years, 2 children  
 Warren Hawkey: divorced, 2 children

Michael Howard: wife divorced twice  
 Robert Hughes: resigned as minister after affair with constituent  
 Toby Jesses: divorced  
 Angela Knight: divorced 1 child  
 Michael Mates: divorced twice, first after 22 years, 5 children  
 Andrew Mitchell: whose father Sir David Mitchell MP is divorced from his mother  
 Sir Nicholas Scott: divorced after 12 years, 3 children

Richard Spring: divorced after 14 years, 2 children  
 Sir Malcolm Thornton: divorced  
 Gary Walker: admitted child with Commons secretary  
 Nigel Watkinson: divorced after 18 years, 1 child  
 Tim Yeo: resigned as minister after fathering child with a Tory councillor  
 Labour MPs included:  
 Denzil Davies: divorced, 2 children



Michael Mates: Divorced twice. Photograph: Popper

dissidents for an amendment to build new provisions for marriage guidance.

Paul Boateng, Labour's legal affairs spokesman, warned his party may withdraw support at the third reading, if “reconciliation counselling” mechanisms are not strengthened.

But Labour itself came under attack during and after furious exchanges between Tony Blair, the Labour leader, and John

Major in the Commons. There were Tory taunts that Labour had been “opportunistic” in seizing on the Government's defeat on Wednesday, despite the fact that Labour supports the Bill's principles.

Mr Blair taunted Mr Major with the fact that four Cabinet ministers, led by Michael Howard the Home Secretary, had voted for the 18-month amendment. He said the vote

showed “the advanced state of decay the Government is in”.

Mr Major declared: “If you think it is right to have a free vote on a matter of conscience, do you equally think it is right that that should be excluded from those members of any administration who feel strongly on these matters? If you do, then I think you have a very strange view of what forms a matter of conscience.”

voting as they wished to.”

In the crucial vote on the duration of the cooling-off period, only five members of the Shadow Cabinet voted, and all for the one-year period. They were Clare Short, Donald Dewar, George Robertson, Harriet Harman, Derek Foster and George Robertson.

Mr Blair supported the Bill against the amendment seeking to maintain fault, but did not vote in subsequent divisions. Several Cabinet ministers supported Mr Major in the lobbies, including Kenneth Clarke, William Waldegrave, Sir George Young, and Virginia Bottomley.

Lord Mackay insisted that the vote did not amount to a “rebellion”, although those voting against his plan included the Social Security Secretary, Peter Lilley, the Health Secretary, Stephen Dorrell and the Welsh Secretary, William Hague.

“I think it's a most important matter that this is seen as a free vote judgment for individuals,” he said.

Mackay defends Bill, page 15

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## news

## World Cup ball bounces back from '66

ADAM SZRETER

In a move that would delight every Euro-sceptic, England's World Cup winners of 1966 are asking the Germans: "Can we have our ball back?" With the 30th anniversary of English football's most famous day fast approaching, a frantic search has been launched for the ball with which Geoff Hurst scored a hat-trick when Alf Ramsey's team beat Germany 4-2 in the World Cup final.

According to the *Sun* newspaper, after exhaustive inquiries by them, the ball was found in the cellar of Jürgen Haller, son of Helmut who was in the German side at Wembley 30 years ago. Apparently Haller Sr, who scored the first goal of the game, snaffled the famous orange ball at the final whistle, stuffed it up his jumper and took it back to Germany before you could say Kenneth Wolstenholme.

Over the years, whenever Haller has been approached on the subject he has always evaded the issue, hinting that the ball was lost. But after persistent badgering from British journalists, it seems he has finally given in and may even be flying to England to present the ball to Hurst.

"They [journalists] kept pestering me," Haller said yesterday. "They have been phoning me for the last three days. They kept saying that the ball belonged to England. But I told them it belonged to me."

Last night, however, it emerged that the ball may not be in Haller's court after all. Hurst's agent, Dave Davies, is still expecting the ball to be presented next Tuesday at an official 30th anniversary show in Leamington Spa, Warwickshire, by a German from Düsseldorf whom he simply knew as "Wolf-gang". His father, Mr Davies said, had apparently bought the ball at an auction in Germany some years ago.

"Everyone's saying they've got the ball, but as far as I'm concerned I'm still expecting to see the real one on Tuesday," Mr Davies said, before adding that Hurst could not comment as he had been paid by a certain tabloid newspaper not to do so. We may think it's all over...

The red PVC pants, signed by the former Queen frontman, were snapped up by a buyer acting for trendy London canteen the Hard Rock Café at Bonhams salerooms, Chelsea, west London.

The Café also also picked up Frank Zappa's 1966 Hagström Sunburst 12-string steel electric guitar for £6,325.

But the biggest disappointment of the day was bidding for The Rolling Stones' mobile recording studio which failed to reach its reserve price of £15,000.

The Leyland Daf 1970 custom-built van was used to record the group's albums *Sticky Fingers* and *Exile on Main Street*. However, an interested buyer who missed the auction may now step in.

Ted Owen, entertainment specialist for Bonhams said: "He thought the sale was on tomorrow. He is a private buyer."

## Priests puzzle over double burial

ANDREW BROWN  
Religion Correspondent

Two parishes in a rural English diocese are facing a tricky theological and legal problem: how can a woman be buried in two places at once?

To spare the feelings of the family involved, the parishes wish to remain anonymous, but the priests involved were approached by two sisters, whose mother had recently died and been cremated with a funeral service. Both sisters, who live some distance apart, wished to be able easily to visit their mother's ashes. After some thought, they concluded that the best way to manage this was to have half the ashes buried in each church.

The two priests agreed, and the services will be held simultaneously on Saturday; but the solution ran into a host of legal and theological difficulties when one of the priests asked for advice on the Internet as to what prayers he should use. The resurrection of half a body seemed a tricky proposition.

A round of phone calls to the Church of England's liturgical committee produced confusing results. One member, the Bishop of Portsmouth, Dr Kenneth Stevenson, said: "In England I don't think she can be divided in half, but that is because of legal issues rather than theological ones. The burial of cremated remains has to be registered and certified... She could be sprinkled. But sprinkling ashes is quite separate from burial."

There is a service for the burial of Christian ashes: it refers to "the cremated remains". Dr Stevenson suggests that the liturgical solution is to omit the definite article and bury "cremated remains", rather than "the cremated remains".

However, he said, the real problem is theological. A belief in the resurrection of the body is a way of asserting the unity of a person: that human beings are both body and soul. Separating the parts of the body suggests that only the spirit matters, which is not Christian orthodoxy. It can be done, early Christians had to confront the difficulties which arose when a martyr was eaten by several wild beasts. But there is a clear Christian preference for a body to be kept in one piece.

The Bishop of Worcester, the Right Rev Phillip Goodrich, said he was opposed to the idea in principle. He felt the sprinkling of ashes was a form of paganism, and not a Christian rite.

"I think it should be discouraged because it is really a bit superstitious. It would be better for the ashes to be buried in one place and think of the dead as being among the unnumbered multitude of Heaven."

## Marriage not clinches, dear reader

The British reading public's favourite ending is "dear reader, I married him", writes Ros Wynne-Jones.

The latest figures from bookshops reveal that Jane Austen is outselling Jilly Cooper. Dillon's bookshop in Gower Street, London, reports 53 copies of Ms Cooper's latest novel, *Appassionata*, have been sold since the book came out, but Austen's *Sense and Sensibility* and *Pride and Prejudice* have sold nearly 400 copies between them in recent weeks.



Daffodil snaps: A man recording the display at the North of England Horticultural Society's four-day Harrogate spring show, which opened yesterday

Photograph: Guzelian

## Farmhouse conviction 'unsafe'

PETER VICTOR

Jonathan Jones was freed yesterday amid dramatic scenes at the Court of Appeal after judges quashed his convictions for murdering the parents of his girlfriend, Cheryl Tooze.

Mr Jones, 37, a businessman, was released after the three appeal judges said they were all "of the clear view" that the convictions for the killings of Harry Tooze, 64, and 67-year-old wife Megan, were unsafe.

Lord Justice Rose, sitting with Mr Justice Dyson and Mr Justice Gage, returned after a short adjournment at the end of Crown submissions to announce: "We are all of the clear view that these convictions are unsafe for reasons which we shall give on a future occasion."

Accordingly the convictions will be quashed and the defendant will be discharged.

Miss Tooze left the court arm in arm with Mr Jones, near to tears of joy. The couple embraced and kissed in front of the TV cameras.

She had refused from the first to accept that her lover, Jonathan Jones, had killed her parents. Yesterday, her tenacity was rewarded as she walked arm in arm with him after the courts set him free.

An only child, apart from her mother and father, all she had in the world was the man she had loved for 12 years. With his arrest and conviction last year, her world collapsed.

Harry and Megan Tooze were each shot once in the back of the head at close range with a shotgun at their farm at Llanharry, mid-Glamorgan in July 1993.

Mr Tooze, 64, was shot inside a cowshed. His 67 year old wife had been shot at the farmhouse as she tried to run for her life.

Mr Jones, of Orpington, Kent, was convicted of the double murder after a 55-day Newport Crown Court trial last April on a 10-2 majority verdict after the prosecution claimed he paid a surprise visit to the six-acre

## Farmhouse killing: Kisses of joy as fiancée wins her fight to have boyfriend cleared of 'callous' murder of elderly couple

farm, having tea with the couple before shooting them to gain a £150,000 inheritance. Only days after the trial, doubt hovered over the conviction. The presiding judge, Mr Justice Roush, released his confidential remarks about the trial revealing that he thought the prosecution case had "fallen decidedly flat". Had he been a member of the jury, he said, he "should be conscious of significant doubt."

He was disturbed by "the contrast between the total ruthlessness and pitiless determination of whoever killed Harry and Megan and man who sat in the dock and for

four and a half days in the witness box."

John Rees QC, representing Mr Jones, returned to this theme in the Appeal Court: "The shotgun was fired from approximately three feet away. They were, in short, executed," said Mr Rees. The killer was experienced and an accurate shot. Mr Jones had no experience with any firearms.

There was a lack of forensic evidence to link Mr Jones to the killing. The murder at close range would have left the killer covered in blood and brain tissue. Police examined Mr Jones' clothes, car and even took wash-

basins apart to try to find evidence linking him to the killings.

The prosecution, Mr Rees argued, was based on "suspicion, speculation and conjecture."

Miss Tooze braved considerable personal criticism to stand by Mr Jones, appearing on the BBC television series *Modern Times* to back the man convicted of murdering her parents.

She said at the court: "I am absolutely delighted. It has been a long fight and my fight is not over yet. I have got Jonathan released. My intention is to carry on and find out who killed my parents. My reward of £25,000 still stands and will continue to do so."

Mr Jones was simply: "Delighted to be free. I had never given up hope."

## The police 'left no stone unturned'

The cold-blooded murders of retired fruit wholesaler Harry Tooze, 64, and his wife Megan, 67, shocked the close-knit rural area of Llanharry, Mid Glamorgan, in July 1993.

Police found their bodies hidden under bales of hay in a cowshed at their isolated 10-acre smallholding Ty-ary-Waun (House in the Meadow).

Their daughter Cheryl had raised the alarm when there was no answer to the nightly phone call she made to her parents.

Jonathan Jones arrived by car in the early hours to help the police search and was allowed inside the farmhouse.

During his trial, defence lawyers argued that it was possible that this was how half a fingerprint came to be found on a teaspoon in the kitchen.

Mr Jones maintained that on the day of the murders he was in Orpington looking for office premises to rent for a new business venture with Cheryl Tooze whom he first met in 1983 while studying at the Polytechnic of Wales in Treforest.

Villagers at Llanharry last night said they believed the

double killer was unlikely to have been a local man.

Retired builder George Painter, 66, said the judges' decision to free Mr Jones had put everyone under suspicion again. "The police left no stone unturned. They quizzed every owner of a shotgun more than once... I'm sure if the killer was local they would have got him. It just convinces me that it was no-one living in the area."

The Toozes' next-door neighbour Mrs Lore Milson-Gabe said: "I just wish it was all over. I've had to live with this for three years now. When police charged Jonathan Jones I wondered if they had caught the right man. Now we are just as confused as ever."

Local pub landlady Jenny Russell, 50, of The Bear, said: "Everyone has a pet theory about who committed the murders and how it was done. It has caused a great deal of controversy among regulars."

There are a lot of rogues in the area, but they are lovable rogues. They wouldn't be averse to a spot of poaching, but as for cold-blooded murder - no way."



The victims: Harry Tooze (above), Megan Tooze (below) and the farmhouse (right); Photographs: Huw Evans



## Trousers up for auction

A pair of skin-tight trousers owned by rock legend Freddie Mercury went under the hammer for £5,520 at auction yesterday.

The red PVC pants, signed by the former Queen frontman, were snapped up by a buyer acting for trendy London canteen the Hard Rock Café at Bonhams salerooms, Chelsea, west London.

The Café also also picked up Frank Zappa's 1966 Hagström Sunburst 12-string steel electric guitar for £6,325.

But the biggest disappointment of the day was bidding for The Rolling Stones' mobile recording studio which failed to reach its reserve price of £15,000.

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Racist killing: Three walk free from court as relatives of stabbed 18-year-old black student pledge to continue fight for justice

# Anger as murder trial collapses

HEATHER MILLS  
Home Affairs Correspondent

The distraught parents of Stephen Lawrence, the A-level murdered by a gang of racists, vowed to continue their fight for justice yesterday after their private prosecution of three white men collapsed.

Neville Lawrence, Stephen's father, said afterwards: "I believe in fairness. I don't think what happened today is fair."

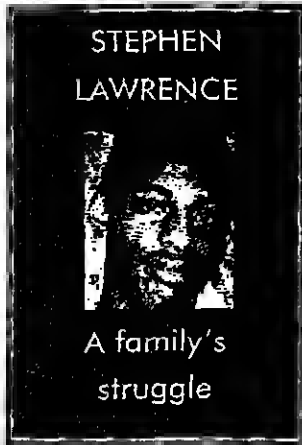
Neil Acourt, 20, Luke Knight, 18, and Gary Dobson, 20, walked free from the Old Bailey after the judge ruled a witness's evidence inadmissible.

Michael Mansfield QC, who had brought the private prosecution on behalf of the family - only the fourth in 130 years - said the other material including covert surveillance videos and scientific evidence was not sufficient to put before a jury.

The video, shown at a committal hearing, revealed the defendants' racist attitudes, including extreme racial abuse and fantasising about killing, torturing and mutilating blacks. A police search found seven knives, including a Gurkha, at one of their homes.

The collapse of the case will be seen as a vindication of the Crown Prosecution Service's earlier decision not to pursue the case for lack of evidence.

But Imran Khan, the family's solicitor, rejected that suggestion as too simplistic. He said the Lawrences had been let down by the "entire criminal justice system". He said the initial police investigation had been flawed, the CPS should not have abandoned the case - and the decision to rule out the witness evidence was both "surprising and unfortunate".



Stephen, who was studying to become an architect, was 18 when he was attacked as he waited with his friend Duwayne Brooks at a bus stop in Eltham, south London, in April 1993. Mr Mansfield had claimed the three were part of a gang of racists bent on the "desecration of those who were black by injury or possible death".

He told the jury: "There can be no question that whoever did this was someone who had a deep felt hatred of black people existing."

However, the case foundered when Mr Justice Curtis said the identification of Luke Knight and Neil Acourt by Mr Brooks, 21, was contradictory and contaminated.

The court was told how Mr Brooks had suffered from post traumatic stress after the attack. The judge refused to allow his evidence to be put before the jury ruling that it "would amount to an injustice" to do so.

The judge said: "However horrible the crime and objectionable the motive, it did not allow him to remove or alter the



Tears for justice: Stephen Lawrence's aunt is comforted by a friend after the collapse of yesterday's trial

Photograph: Peter Macdiarmid

## Killing that put a dignified family on the trail of justice

legal safeguards which protected anyone from a misidentification. "Putting one injustice on top of another does not cure the first injustice done to the Lawrence family," he said.

Mr Justice Curtis praised the Lawrences for their decision to drop the case "in the interests of justice and fairness". He granted the family their costs out of central funds.

Last night Mr Lawrence, unusually alone because his wife Doreen was too upset, said the family would continue to search for Stephen's killers. He added: "I would like to thank all the supporters from the last three years, black and white, old and young."

But Azim Hajee, a friend and campaigner, said most people would now be asking "what went wrong". "What is it that black people have to do, that ordinary folk have to do, to get justice?" he said.

There have been only three moments when the Lawrence family's strength and quiet reserve have deserted them, writes Heather Mills.

Once when Stephen's father, Neville, broke down in tears as he heard in a court room how his son died violently and pointlessly at the hands of a racist mob.

The second when Stephen's mother, Doreen, allowed herself a celebratory "yes" as two men suspected of the killing were sent for trial. Getting the case to the Old Bailey was a milestone in the family's search for justice. And the third came

as the Old Bailey trial started to crumble. Mrs Lawrence collapsed in tears.

Otherwise through their three year - and subsequently vain - struggle to find their son's killers, through frustrations at police progress, anger at the dropping of the case by the Crown Prosecution Service and dismay as they felt they became

a pawn between competing anti-racist groups, they have maintained a dignified reserve. In the words of Mr Justice Curtis after the trial collapsed, "in the interests of justice" the Lawrences had remained "statesmanlike" throughout.

Stephen would have been 21 this year - well on the way towards his chosen career as an architect. A bright student he had been due to sit A-levels in English, design and technology and physics - and was expected to sail through them.

Instead aged 18 he happened to be waiting for a bus with a friend when a gang of racist thugs was on the streets - and he was killed. Murdered be-

cause he was black. He was the third black victim of racist killings in the area. For his parents, the only solace on which they could seize was the evidence of a couple, leaving church, who had gone to comfort Stephen, Louise Taff, said "he seemed very peaceful".

His friend Duwayne, who had yelled at Stephen to run and ran himself, was only able to give police the barest of details. Nevertheless, the hunt for the killers appeared initially hopeful. The names of various youths were given to police and the Lawrence family. Weeks later Duwayne Brooks picked out Neil Acourt and Luke Knight at identity parades. Both were charged with Stephen's murder.

But the following July the Lawrences suffered their first major blow - the Crown Prosecution Service dropped the charges for lack of evidence.

The decision prompted outrage in the black community and raised allegations that the case had been mishandled. It was later claimed that police failed to move swiftly enough,

- losing potentially vital forensic evidence.

Stephen's family started their own inquiries. Then after the first anniversary of his death, the family had a meeting with Sir Paul Condon, the Metropolitan Police Commissioner, who initiated a second investigation. This inquiry, said the Lawrences, was flawless - it was just a year too late.

More evidence was unearthed - but nothing which would persuade the CPS to launch a prosecution - so the family, with the help of the police, launched a private prosecution - one of only four in 130 years of British legal history. Donations started flooding, lawyers offered to help for free.

Three men were finally committed for trial for Stephen's murder - Luke Knight, Neil Acourt and Gary Dobson.

Three years to the day after Stephen's death, the case came to trial only to collapse. The crucial identification evidence of Stephen's friend, Duwayne Brooks, was ruled inadmissible.

Mr Justice Curtis ruled the identification "contradictory and contaminated" and said it could lead to injustice. The family accepted it was neither "fair or proper" to try and put other material before a jury.

## Covert video reveals depth of hatred

Neil Acourt brandished a knife, waved it around and thrust it into the wall or furniture uttering vile racist abuse.

"I reckon that every nigger should be chopped up mate and they should be left with nothing but fucking stumps".

His extremist views and his naked aggression were revealed in video tapes shot secretly by police and shown at the committal hearings. They provided a video nasty of racial hatred featuring Neil Acourt, Gary Dobson and Luke Knight, the three men whose trial for the murder of Stephen Lawrence collapsed for lack of evidence yesterday. Also on film were David Norris, originally charged but not committed for trial, and two others, Charlie Martin and Danny Caetano.

The video was filmed during a two-week period in December 1994 - a year and a half after Stephen's murder, after police had gained access to their shared home in Eltham, south London, and placed a camera in an electric socket.

According to the stipendiary magistrate, David Cooper, who sent the three for trial, the video showed "a deeply held, explicit and sadistic loathing of all black people".

"This is not the sly and sniggering racism which is common in many sectors of society. It is not even the blatant racism used on the football terraces."

In another sequence David Norris said: "If I was going to kill myself do you know what I'd do? I'd go and kill every black c\*\*\*, every Paki, every copper, every mug that I know. I would go down to Catford... with two sub-machine guns and... I'd set on one of them, skin him alive, torture him and set him alight. I'd blow their two legs and arms off and say go on you can swim home now."

Racist abuse was triggered by events such as the success of black British athletes like Colin Jackson and Linford Christie or the Cameroon football team.

Michael Mansfield, the QC who prosecuted on behalf of the Lawrence family, said the tape revealed a motive of race hatred, showed the group carrying knives on the streets, and, most contentiously, contained a sequence which could amount to a confession.

Defence lawyers accepted the videos showed "unpalatable racist attitudes".

They argued that extreme racist views were neither a motive nor evidence of murder. There was nothing to connect the men with Stephen's killing and to show the videos would so prejudice a jury there would be no chance of a fair trial.

## Shakespeare revealed as 'closet Catholic'

ANDREW BROWN  
Religious Affairs Correspondent

William Shakespeare may have been a closet Catholic. In an article in this week's *Tablet*, a Catholic news magazine, Dr Eamon Duffy, of Magdalene College, Cambridge, concludes Shakespeare was "A churchman, outwardly conforming, but inwardly rejecting Protestant teaching".

After Pope Pius V excommunicated Elizabeth I in 1570 and removed Catholics from their obligation of obedience, she made Catholic priests and those who sheltered them guilty of treason. One of Shakespeare's school-fellows, Robert Dabdale, converted to Catholicism and was executed as a priest in 1586. His first schoolmaster died a Jesuit in Rome.

Shakespeare's father seems to have reconverted to Catholicism in the 1580s. A bricklayer working on his house in 1577 found his hand-written spiritual testament, reaffirming all his Catholic beliefs and signed John Shakespeare. The manuscript has since been lost but conforms to a pattern spread by two Jesuits sent to England under cover in 1580, who were later captured and executed.

Dr Duffy finds suggestive evidence in the fact that Shakespeare did not attend Anglican communion at Easter for nine years when he lived in Southwark, although it was illegal to miss the service.

Even his marriage to Anne Hathaway, in a village some distance from Stratford, seems suggestive to Dr Duffy: "Neither the Shakespeares nor the Hathaways had connections there, but the vicar, John Frith, was an old Catholic priest, suspect to the Protestant authorities as 'unsound in religion'. It could well be, therefore, that the teenage bridegroom deliberately opted for the ministrations of a known Catholic."

"Shakespeare's treatment of Catholic themes is consistently sympathetic. Friars, nuns and the religious life get a remarkably good press from him; Anglican clergy, by contrast, a had one."

However, Dr Duffy draws back from claiming for certain that Shakespeare was a Catholic and even doubts whether he should be considered a Christian writer at all.

Shakespeare: Rejected Protestant teachings

## 'Impossible to fix motion' says Blair aide

MICHAEL STREETER

Tony Blair's press secretary Alistair Campbell denied at the High Court yesterday that he had urged Labour MP's to sign a Commons motion attacking a conservative MP.

Mr Campbell said that at the time of the allegation when he was political editor of the *Daily Mirror* he had been in a briefing with the Prime Minister's secretary Gus O'Donnell. He was giving evidence in a case brought by Tory MP Rupert Allason who is suing Campbell, *Mirror* Group Newspapers for malicious falsehood over an article in the *Daily Mirror* in November 1992.

Allason, who is representing himself, says the story falsely claimed that 50 MP's signed an Early Day Motion suggesting he hand over part of his substantial libel damages from *Mirror* Group to Maxwell pensioners facing financial ruin.

Mr Campbell denied an earlier claim by Labour MP George Galloway that he saw the journalist trying to persuade a new MP to sign the motion.

"It is untrue and physically impossible. I did not go to that part of the Commons," said Mr Campbell. "The Prime Minister's press secretary wanted to have a private word with me about what was going on in the *Mirror*. He was extremely supportive and said the Prime Minister was taking an interest."

Mr Campbell dismissed suggestions he had initiated the EDM or was involved in writing the story, saying the first he knew of it was when his deputy David Bradshaw told him as the story was being filed.

He had spoken to the editor of *The Mirror* about it, but this was "routine" because it was a short story involving the newspaper. Mr Campbell denied any malice or vendetta against Mr Allason. Far from attacking the MP, he had pressed for a correction in the newspaper.

Earlier Mr Bradshaw had admitted coming up with the idea for the EDM, a draft of which he passed to two Labour MP's who amended it and circulated it amongst colleagues.

He also admitted that at the time he had not told the whole truth about the authorship, and error of judgement which had "dragged Alistair Campbell's name through the mud."

Labour MP Peter Kilfoyle who had later signed the EDM said he thought the text of the motion was "humorous". Mr Allason claims the article was malicious and that he lost a \$100,000 book contract as a result.

Charles Gray QC for *Mirror* Group Newspapers, Mr Campbell and ex-*Mirror* journalist Andy McSmith who deny the claims, said he was not sure now what the MP's case was against his clients.

The case continues.

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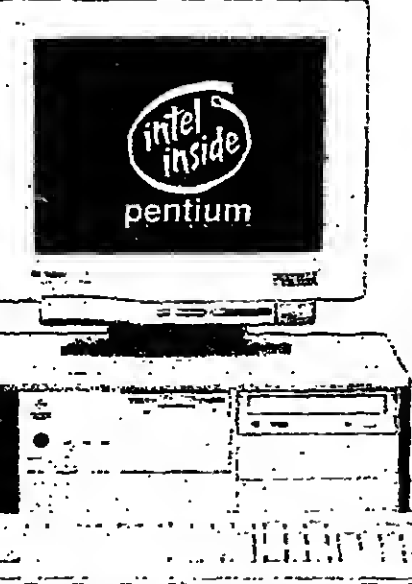


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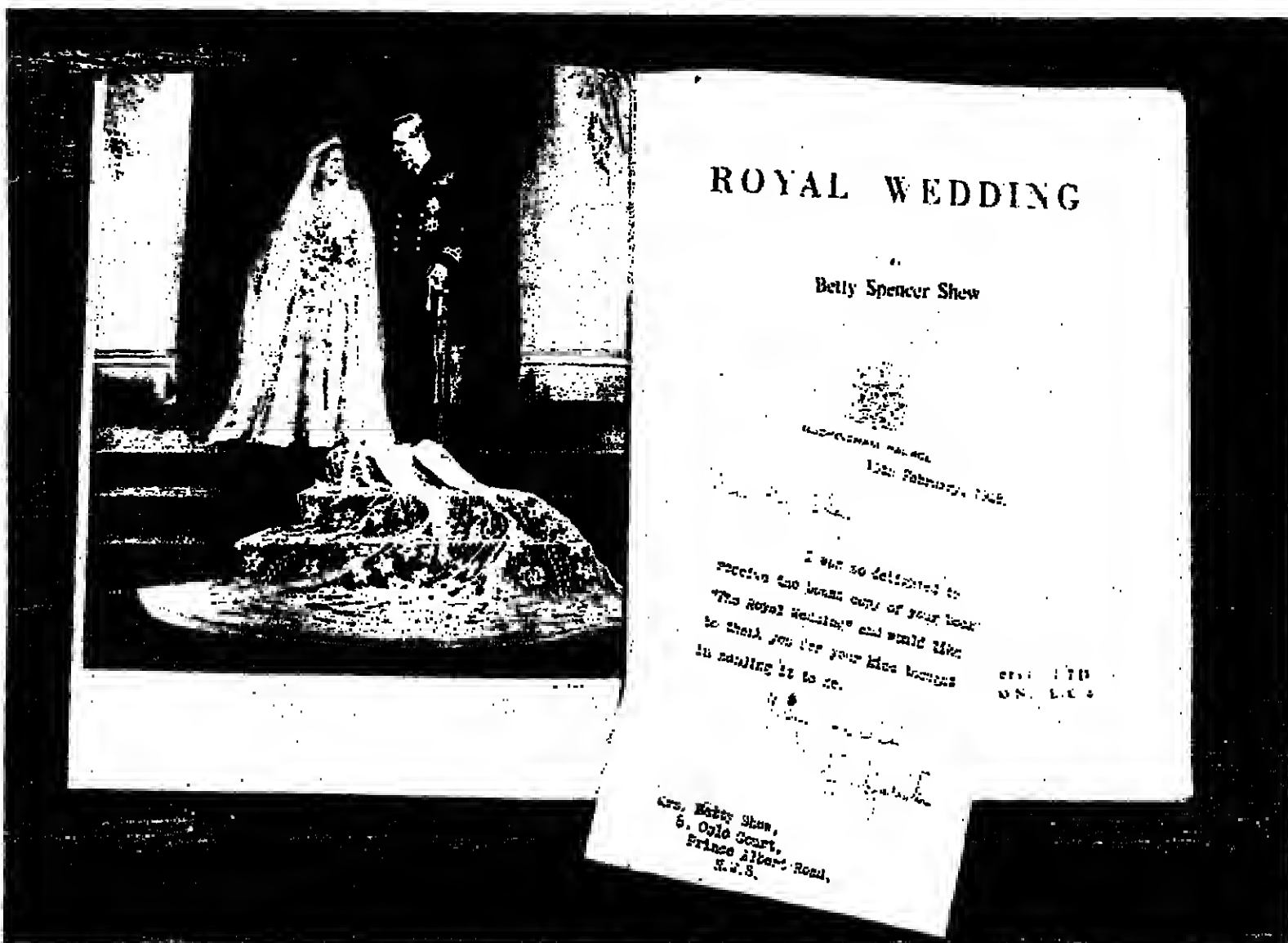


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# £5,000 for 'love' letters straight from the royal heart



Happy days: Betty Shew's book 'Royal Wedding' and the Queen's letter of thanks; both came under the saleroom hammer yesterday Photographs: PA

LOUISE JURY

Annette Buckley sipped a sherry and prepared to tell her husband that she had paid £5,000 for three letters of love and a rare insight into the life of a princess.

"I think he'll forgive me," she said. "I told him I wouldn't go above £2,500, but I wouldn't have been able to sleep for three nights if I hadn't got them."

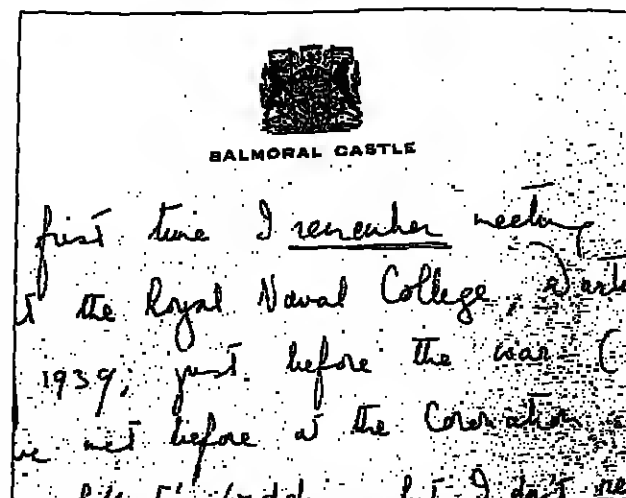
In tense telephone bidding, Mrs Buckley, 54, outbid auction rivals yesterday to secure the letters from the then Princess Elizabeth, now the Queen, describing her romance with naval lieutenant Philip Mountbatten. It is thought to be the first time that personal letters from a reigning monarch have been offered for sale.

They describe how the couple first met, their shared passion for dancing and the thrill of driving along in his MG sports car. "Philip enjoys driving and does it fast!" the young princess told Betty Shew, a court correspondent who had asked for details for a book she was writing on the royal wedding.

Mrs Buckley set her heart on acquiring the writings as soon as she read about them.

They will now become the star attraction of the museum Mrs Buckley set up in Baille, near Hastings, when her hobby of collecting assorted memorabilia took over her life and home and became a business.

She and her husband, Brian, gave up their newsagent's shop 10 years ago and opened Yesterday's World, a museum of everyday life since Victorian times which now welcomes



Courting history: Princess Elizabeth told of her romance with Philip Mountbatten in this letter to Betty Shew found by lawyers when Mrs Shew's last relative died

120,000 visitors a year, attracted by exhibits which include a Victorian chemist shop and a 1930s-style children's nursery.

"We have this one room of royalty, with a life-sized animated Queen Victoria and this will go very nicely into it," Mrs Buckley said. "They're up there, we're down here, but it brings us all together."

The letters were put up for sale when they were discovered by lawyers among the papers of a relative of Mrs Shew's, a Miss Edbrooke. There were no other family members left to inherit them when Miss Edbrooke died recently in a nursing home in Somerset.

Marc Burridge, of Clevedon Salerooms in Avon, said he was delighted to be asked to sell them. The main London auction houses have agreed not to

deal in private correspondence from the royal family dated after 1938 without permission from Buckingham Palace.

A Christie's spokeswoman said: "Letters between the Queen and Prince Philip we probably wouldn't sell."

But Mr Burridge said he did not consider the writings private as the details were published in Mrs Shew's book, also included in the lot.

"I thought about it very carefully but the information is in the public domain and it actually painted a very nice picture," he said after the sale.

Mrs Buckley, meanwhile, was pouring a glass of sherry for her husband. "I only started collecting things because he started playing golf," she said. "He's got a lot to answer for, that boy."

## Strike threat lifted after deal on boy, 13

FRAN ABRAMS  
Education Correspondent

Teachers lifted a threatened strike over a disruptive 13-year-old boy last night after a last-minute deal was struck to keep him out of lessons. Staff at Glaisdale school in Nottingham had been due to stop work indefinitely from today in protest at the excluded boy's return to school.

Richard Wilding, who was said to have been involved in more than 30 incidents in less than two terms, will now be taught at home by a tutor and in a special unit. He will remain on the school but will not attend.

Richard had been excluded temporarily on three occasions before being permanently excluded in February. The local authority approved his removal but an independent appeals panel backed his parents, Rita and Philip Wilding. They wanted Richard returned to Glaisdale and were not prepared to accept any alternative.

It was revealed yesterday that Mrs Wilding was convicted of assault after attacking and disabling a housing officer who

called at her home four years ago to discuss repairs to a wall. Gerald Bunting, 55, suffered serious spinal injuries and now has to walk with crutches.

Members of the National Association of Schoolmasters Union of Women Teachers (NASUWT), which has 20 members among the school's 38 staff, voted to strike rather than allow the boy back into their lessons. The other unions at the school discussed the possibility of refusing to teach him.

Earlier this week Richard was being taught at Glaisdale by a supply teacher, in isolation from other pupils. He was not allowed to meet his friends at break times or even to go to the toilet on his own, but a teachers' union claimed he had still threatened another pupil.

After a meeting with the family, the county council and the school's head teacher on Tuesday, a deal was struck allowing Richard to be taught on his own at school as well as receiving lessons at home and in a special unit. However, the NASUWT refused to accept this and confirmed on Wednesday that the strike would still go

ahead. A further meeting with the parents yesterday yielded the new deal.

Last night Nigel de Gruchy, general secretary of the union, said he was immensely proud of his members' action which was "trades unionism at its best".

"The principle has been established that parents do not have the right to choose whatever school they like for their children regardless of the behaviour of their offspring."

He added that his members at another school had already been hallooed on industrial action after an appeal overturned an expulsion, he said.

Richard's parents were angered by the result, but hoped he would be able to return to Glaisdale. "We are extremely disappointed with the attitude of the unions. We feel Richard has been used as a scapegoat and a pawn in a political game," they said in a statement issued through their solicitor.

The Wildings had the law on their side but ministers said that children who had been excluded more than twice might lose their right to appeal.

Letters, page 14

## Poison brings down red kites

NICHOLAS SCHOON

Five red kites, one of Britain's rarest birds of prey, have been killed by deliberate poisoning in recent weeks. All had been imported from Europe and released into the wild, in an attempt to establish a new English population.

The carrion-eating bird became extinct in England and Scotland at the end of the last century because of persecution by gamekeepers and farmers, with only a small population clinging on in Wales.

Four of the dead birds were found in southern England, near where most of the imported birds have been set free. The other was found in the Midlands, where nine young kites were released last summer in an attempt to establish a second breeding population in England.

One of the birds was found dead on its nest. All are thought to have eaten bait left out in the open and laced with alpha-chloralose, a rodenticide.

However, the bait was probably intended to kill foxes or ravens rather than the red kite. But the practice of setting out poisoned meat in the countryside is illegal but still widespread.

Barbara Young, chief execu-



Rare bird: Imports have revived UK kite population

tive of the Royal Society for the Protection of Birds which has been sponsoring the reintroductions, said: "I'm appalled by the thoughtless and illegal use of poisons which is jeopardising the success of this highly important reintroduction project."

Since 1989, almost 200 young red kites have been released in southern England and northern Scotland in a joint programme between the society and government wildlife conservation organisations.

The new arrivals have begun breeding in both countries and their population is building up. But poisoned bait had killed birds before this year, and in 1995 another was found to have been wounded by shotgun pellets.

## Chest pain may offset risk of fatal heart attack

Research into chest pain could lead to new ways of reducing the risk of fatal heart attacks, doctors have found.

Angina, the chest pain caused by heart disease, acts as a warning that a heart attack might be on its way. But new studies suggest that molecular changes in heart cells during an episode of angina may help protect the heart should an attack occur.

Cells that have undergone such changes can resist the effects of loss of blood supply, which ultimately causes a heart attack, for much longer.

A paper published yesterday in the medical journal the Lancet, by researchers led by Professor Derek Yellon from University College Hospital in London, reported: "This paradoxical protection is the most powerful and reproducible experimental method of delaying the onset of myocardial infarction [heart attack] yet known."

The researchers conclude that one day it may be possible to induce the protective changes in heart cells with drugs to reduce heart attack death and disability.

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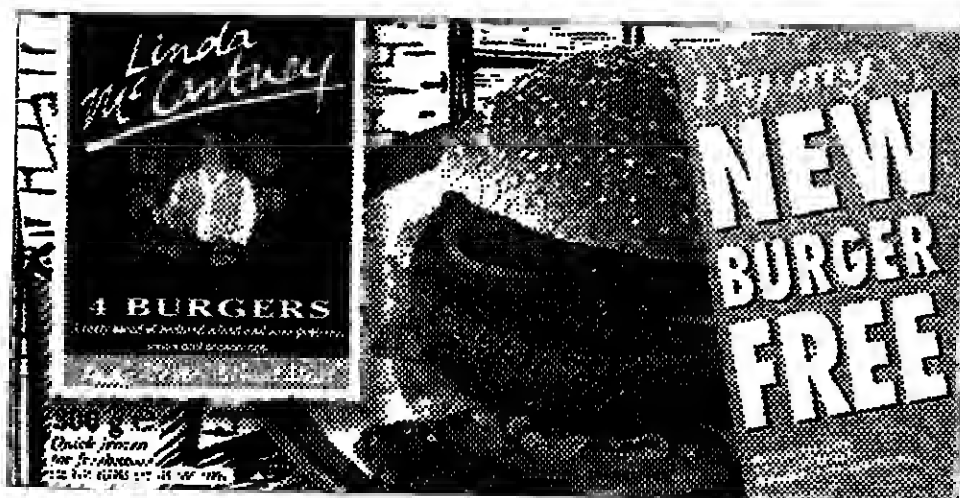
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## Digital camera revolution develops old problems

CHARLES ARTHUR  
Science Correspondent

A camera that was touted as leading a revolution for amateur photographers suffers from some of the same failings as its forebears, according to a test by the *Independent* yesterday.

The findings may come as a surprise to the hundreds of people who manufacturers say have bought the new Advanced Photo System (APS) cameras from Kodak, Fuji and Nikon, which were launched on Monday. Early reports from the manufacturers suggest that APS cameras have comprised nearly half of camera sales this week.

The manufacturers have said that APS cameras, which need special APS films - designed to be easy to insert and remove - will record on the film if the photo was taken in low or excessive light conditions, or using a flash which might affect light conditions, by encoding digital data on the back of the film. It was seen by industry ob-



The Advanced Photo System camera developed by Kodak

servers as a revolution which would replace conventional 35mm film and hit-and-miss methods of processing.

Although it requires new developing machines to read the films, APS also cannot necessarily improve the quality of work by high street developers - identified by a professional photographer as one of the most common causes of disappointing photos. This is despite the £200m that manufacturers have spent in the past five years developing APS.

As these photographs show, Kodak's new £130 APS camera cannot compensate for pictures with high levels of contrast, one of the most common problems in amateur photography.

The photographs, taken by *Independent* photographer Tony Buckingham, also indicate that the benefits of APS have not spread to the processing of pictures. Because the panoramic picture was taken with APS, it had to be developed at a laboratory in Birmingham for Kodak. The entire picture is overexposed, compared to the other photo, which was developed in a darkroom at the *Independent*.

Henry Rees, technical services manager at Kodak UK, said: "This is purely a function of how the processing lab printed it. What APS can do in terms of getting information to the photo's processor does not extend to manipulating the contrast."

That was a task for the person developing the photo in the processing lab or shop.



### How they compare

The upper photo, taken with Kodak's £130 Advanced Photo System camera, is a panoramic view of a lamp post on the north of the Thames, on the Embankment. The wide contrast range between the dark ironwork in the foreground and the lighter sky and buildings has created a classic problem: detail is lost. The photograph has also been overexposed in its processing by a high street laboratory.

The lower photo, taken using an Olympus OM-1 camera costing more than £600, shows the effects of a sensitive light-metering system and careful processing: details of the ironwork are visible in the foreground, but so are those in the background, the sky and the opposite riverbank.

Photographs: Tony Buckingham

## Model, the tycoon and two suits of armour

For the second successive day, the young woman who claims she was raped by Owen Oyston broke down in tears under cross-examination and then accused the media tycoon's counsel of bullying her. She also claimed that Mr Oyston, 62, the chairman of Blackpool Football Club, was probably sleeping with the girls he employed.

The model, who said the alleged attack would leave her with mental scars for the rest of her life, became angry when she was confronted in court with two suits of armour and asked whether she could identify one as being in Oyston's country home when she claims she was driven there and raped on a four-poster bed.

The woman, 25, cried as she asked Anthony Scrivener QC: "Have you brought the four-poster bloody bed as well?"

Mr Scrivener told her the jury at Liverpool Crown Court were going to see it. They are due to visit Mr Oyston's country home near Lancaster next week.

The girl went on tearfully: "Well, I hope you remember me in that bed. Bring the drapes, everything, the decor."

She was questioned over the attack, in which she claims Mr Oyston ordered her to remove her underwear before forcing himself on her seven years ago.

Mr Scrivener told her: "You are not the sort of person who is going to take your knickers off for anyone. You would have hit back. You are a forceful personality."

The woman, who has modelled on national television, said: "You like hollyhock people. Do you know what it's like? You are a bloke for God's sake. You don't know."

Mr Oyston denies raping the girl and raping and indecently assaulting a second model alleged to be 16 at the time.

The first alleged victim agreed she had been left physically unmarked, but said: "The

only mark left was the mark on my mind for the rest of my life."

A few minutes earlier she was questioned about an allegation that some time after the rape she was invited to dinner by Mr Oyston and was excited by the prospect. It was suggested that because she was in casual clothing she had borrowed a new suit from one of Mr Oyston's employees, Sharon Denhigh.

She denied it had happened and agreed with Mr Scrivener it would have been "totally inconsistent" with her having been raped by Mr Oyston.

"Probably Sharon slept with him," she said. "Probably all the people that worked for him and got paid by him and all the girls that got promoted by him and stuff. I wouldn't be surprised. I wouldn't put it past him."

When Mr Scrivener suggested going to a dinner where Mr Oyston was present was inconsistent with having been raped by him, she replied: "I was frightened of him."

The girl admitted earlier that she had been wrong when she had insisted that she was aged 17 when the rape happened, a claim she repeated during cross-examination and in an earlier trial at which the jury failed to reach a verdict on the rape charge.

She made her admission after the defence produced sales sheets from a fashion shop in her home town, where she agreed she had worked for nine months up to April 1989 before joining a modelling agency in Manchester, Model Team, run by Peter Martin, who introduced her to Mr Oyston.

She said: "I now realise it happened in 1989. I wasn't 17. I was 18."

Mr Scrivener accused her of being "caught out" by the defence evidence and told her: "If my client had been convicted at the last trial it would have been on the basis it happened in 1988, to a 17-year-old."

The case continues.

### DAILY POEM

#### The Baths at Hammat Gader

By Eudocia Augusta

Countless marvels have I seen in life, endless wonders,  
but even with a thousand tongues, who could tell your fame,  
noble spa, too great to grasp by mere mortals.

So let

me name you for a fiery ocean, newly turning -  
physician, parent, the provider of such sweet streams.  
From you is born this never-ending swell, rushing here  
and then there, now white-hot, now wintry, now warm to touch,  
your beauty pours forth as one from fountains, four fold four.

I name you now: India, Matrona, Repentius,  
Elijah the holy prophet, and Antoninus  
the Good, dew-drenched Galatea, Hygieia herself,  
the large warming baths, and the small, the pearl white waters,  
and the old spa-head, long disused; India again,  
Matrona, Briara, the Patriarch, and the Nun;  
for those in suffering your strength is constant comfort,  
But I sing in praise of god, whose wisdom is far-famed...

Archaeologists excavating the bath-house complex at Hammat Gader in the Yarmuk Valley, Israel, discovered this 17-line fragment inscribed on a plaque of marble in a pavement surrounding one of the pools. It is one of a hundred such verses in a new anthology by Bloodaxe of *Classical Women Poets*, translated and introduced by Josephine Balmer, and includes the work of the most gifted of classical writers, Sappho. A collection of great charm.

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## politics

Transport  
paper opts  
for the  
easy routeCHRISTIAN WOLMAR  
transport correspondent

The Government yesterday drew away from controversy in long-awaited Green Paper on transport by avoiding firm decisions on most of the thorny questions raised by last year's transport debate.

In what is a very anodyne response to that debate which was homebrewed by the then Secretary of State for Transport, Brian Shephard, the aim seems to be to avoid any hostages to fortune in the forthcoming consultation. The Paper was justifiably condemned as a vane jump squib by environmentalists and the roads lobby alike.

Issues like road pricing, tax-free staff car parks, privatising motorways, and restricting private car use in town centres are largely ignored, and there are no suggestions on how to cope with ever-increasing traffic. But the one of the few measures likely to attract controversy, the Government has left the door open for councils to charge cut-throat users in congested areas. While the Government is said to have committed to road tolling on motorways and busy inter-urban roads, there is only one supporting paragraph on the subject.

Which emphasises that new legislation will be needed to cope with the growing congestion crisis has been the motivating force behind the national transport debate, writes Christian Wolmar.

The amount of traffic was forecast to go up by between 83 per cent and 142 per cent between 1993 and 2025. The pro-road-building group, the British Roads Association, calculates that in the next 10 years, traffic has increased by an average of one-third on all roads, with 61 per cent growth on motorways.

But the paper has failed to come up with a strong programme for national government to reduce congestion. Instead, it relies on local authorities to tackle the problem.

isolation would be required, ensuring nothing can be done before an election.

On charging or taxing employees who use staff car parks, the Paper says the Government is "prepared to explore the area further" but at the moment is "not persuaded of the case for seeking enabling legislation".

In one of the few sections welcomed by environmentalists, the Government is to ensure councils have a greater say in the trunk road network; they will be able to put forward objections before plans are drawn up rather than afterwards.

At a briefing yesterday, Sir George Young, the Secretary of State for Transport, who has been forced in Cabinet arguments to tone down the Paper lest it appear anti-motorist, said the report contained "many nuggets" but was unable to list any apart from the decision to set up a national telephone enquiry bureau for train services.

Edmund King, campaigns manager for the Royal Automobile Club (RAC), said: "It's paralysis by analysis. This report could have been written by an undergraduate. It contains virtually no policy."

Transport, the Way Forward: HMSO, 138pp, £15.70

Road going nowhere, page 15

## Dilemma of congestion

In the introduction to the Green Paper, Sir George Young put the problem in a nutshell: "Traffic growth highlights the question of whether the aims of widening choice, of improving the competitiveness of our economy and protecting the environment... can be reconciled."

But the paper has failed to come up with a strong programme for national government to reduce congestion. Instead, it relies on local authorities to tackle the problem.

Minister  
fears  
row over  
help for  
elderly

COLIN BROWN

Stephen Dorrell, Secretary of State for Health, is urging Cabinet colleagues to postpone a White Paper giving hope to the elderly facing high costs for long-term care because he fears it will be seen as a bribe in next week's local elections.

Mr Dorrell fears that the consultation paper will become embroiled in a full-scale political row if it is published as planned two days before the local elections, in which the Tories are braced for heavy losses.

Postponing it could be embarrassing for the Prime Minister, who made a promise in his keynote speech to the Tory party conference in Harrogate that the paper would be published before the end of the month.

The insurance industry, which is likely to gain more business from the plans, is geared up for an announcement next Tuesday. The insurance company FFP, which advised the Government on the scheme, is one of the firms expecting it to be announced next week.

But the Independent has learnt that Mr Dorrell has urged Michael Heseltine, the Deputy Prime Minister responsible for coordinating government announcements, to allow him to postpone the unveiling of the document until after the elections on 2 May.

The scheme will try to answer growing protests from "middle England" — the centre ground hotly contested by Labour — that elderly people are being forced to sell their homes to qualify for state-funded long-term care.

Mr Major told Tory supporters in March: "Next month, we'll set out our proposals to deal with this challenge to help protect the family home and lifetime savings."

Under the scheme, people would be allowed to disregard the value of the insurance they take out against their assets, and they would qualify for state-aided long-term care: insurance valued at £60,000 would allow up to £60,000 in assets to be kept, before a person would lose state aid for long-term care.

Jack Straw, Labour's home affairs spokesman, yesterday produced unpublished official figures which he said showed a rising tide of disorder and anti-social behaviour, despite falls in

the official crime rate, writes John Rentoul. He said the statistics — collected by the police in order to work out government funding — showed a 12 per cent rise

in disturbances in 1994-5. The figures cover a range of incidents from drunkenness and domestic disputes to neighbourhood quarrels and trespass but can also include

everyday disturbances. Mr Straw said: "Anti-social behaviour by neighbours, incivility and loudness in town centres is rarely reflected in recorded crime figures."

"Yet it can hugely damage the quality of people's lives. It can lead to people boycotting town centres and becoming prisoners in their own homes."

Photograph: Edward Webb

## Major finds new candidate for dreamland

Inside  
ParliamentStephen  
Goodwin

Cloud-cuckoo-land is in danger of becoming overcrowded. Having consigned his more rabid Euro-sceptics to dreamland on Wednesday, John Major yesterday fingered Gordon Brown, the shadow Chancellor, as another suitable resident.

The Prime Minister warned that the Tories would tell every family in the land that Labour planned a tax rise of £560 a year for each child taking A-levels.

Mr Brown last week proposed ending child benefit for 16- to 18-year-olds in full-time education qualify and putting the £700m raised directly into their schooling.

Mr Major's attack came at Question Time after Tim Rentoul, a former Tory chief whip, endorsed his declaration that those who thought Britain could

be a trading haven outside the European Union were living in "Cloud-cuckoo-land".

The Prime Minister's remarks in a speech to the Institute of Directors in London were intended to scotch talk of possible withdrawal from the EU.

But Mr Rentoul had another target. Pointing out that the original Cloud-cuckoo-land was "an imaginary city built in the air by the birds", he went on: "Would that not be a suitable destination

too, for those who think they can vote Labour without seeing their personal and business taxes going sky high?"

Not only personal and business taxes, Mr Major replied. "It now seems that anyone who is ill-advised enough to encourage their youngster to stay on and take A-levels will lose £560 of child benefit every year."

It was not just a question of the withdrawal of child benefit, because the benefit was a tax allowance, he said. "This is the direct equivalent of a tax increase of £560 for every family with children taking A-levels."

Turning to the shadow Chancellor, he added: "It's no point in Mr Brown shaking his head — it's his policy, it's nonsense and we intend to tell every family in the land about it."

However, it is not just Tony

scorn that Mr Brown has to worry about. Sixteen Labour left-wingers have signed a motion stating that the maintenance of universal child benefit is "an essential part of the welfare state". Though nominally addressed to the Government, the motion is in reality a shot across the bows of the shadow Chancellor.

Tony Blair, however, focused on the Prime Minister's difficulties over the Family Law Bill after 165 Tories, including four Cabinet ministers, voted to extend to 18 months the "cooling off period" before most couples can get a divorce.

The revolt showed "the humiliating state to which Mr Major's authority has been reduced". "I think most people have an increasingly clear view of his government," the Labour

leader said. "This was a government Bill... and this vote wasn't just about the amendment. It was fundamentally about the ethos of the Bill and the direction of the Conservative Party."

An angry Mr Major was called to order by Speaker Betty Boothroyd as he accused Mr Blair of being "deliberately misleading" — an unparliamentary charge. "I have made it clear that on the issues of fault and other issues of conscience this would be a genuinely free vote."

But Mr Blair persisted. The Prime Minister's real problem was that every member of his Cabinet had a future agenda but him. "And until he gets one and asserts it, this country will continue to suffer from the most feeble Government in living memory," he said.

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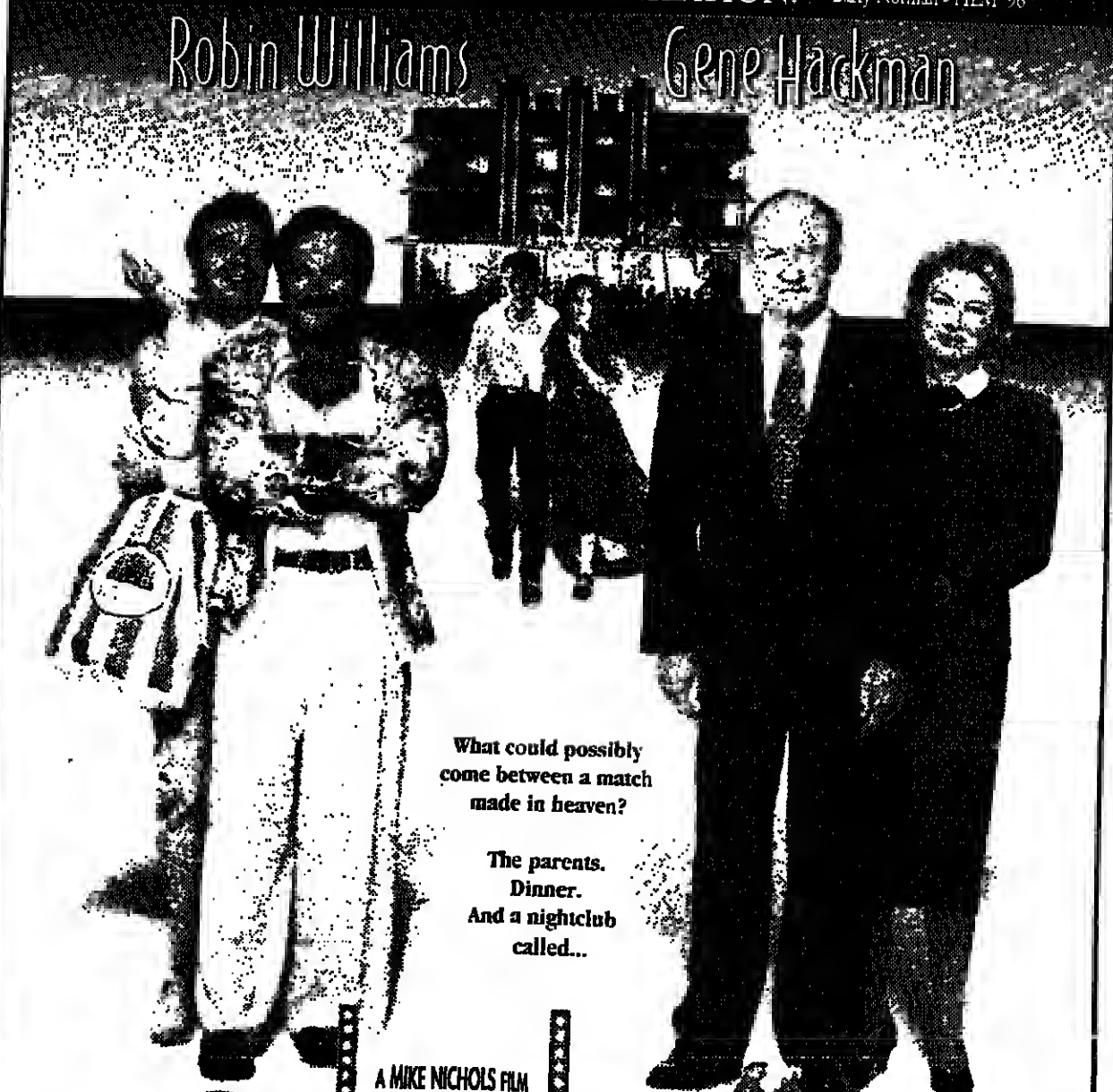
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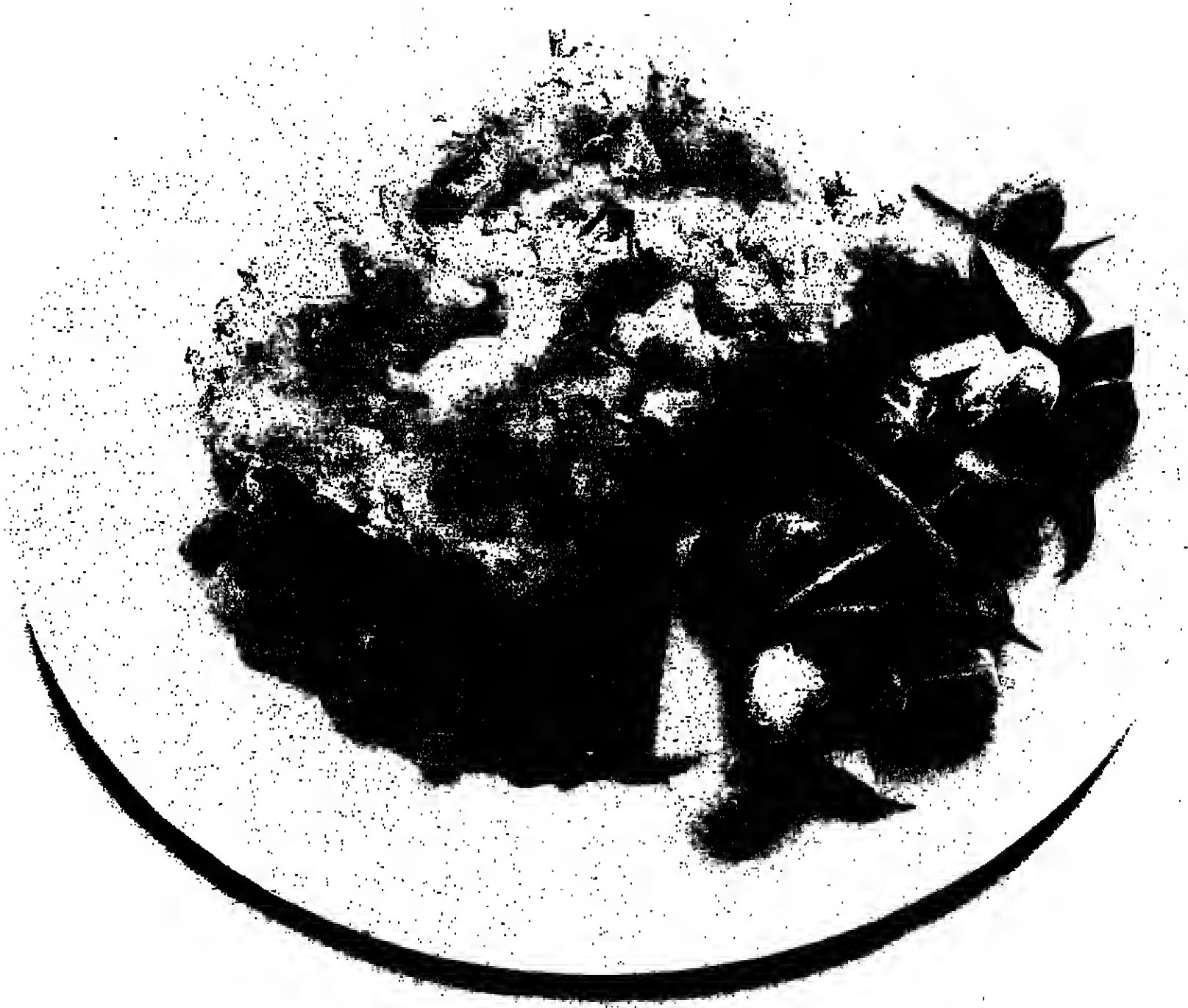
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دولت اسلامی

Minister fears row over help for elderly

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# International

## Kremlin and China hail ties of friendship

RESA POOLE  
King

The Presidents of Russia and China yesterday hailed a new strategic partnership to take the two countries into the 21st century with a champagne toast. A day marked by mutual declarations of support over difficult international issues, President Jiang Zemin bolstered his ties with Russian President Boris Yeltsin's opposition to the expansion of Nato.

Heathcote Russia's President backed Home in over Taiwan and Tibet.

After a two-hour summit the evening, Mr Yeltsin said Mr Jiang "resolutely joined Russia's elbow" that Nato's expansion would be a "hot line" between Moscow and Beijing. The Chinese Foreign Minister, Qian Qubai, later quoted China's President as expressing "his fatherly understanding and support for the Russian position on this what he said."

He said: "The expansion of Nato is a serious threat to the post-20, world-war era would not serve the interests of all, and is not consistent with the trend of the times."

Previously, China has said the expansion of Nato's extension was only of concern to the parties said involved.

The signing by the presidents of a third Joint Statement

sufficient between the two countries in the

Threat Hall of the People's

ambassadors to mark the warmest

of the early days of the

relationship between the two countries.

Mr Yeltsin said: "I can't

politicise a single question on

which we would have different

opinions." Mr Jiang was equal.

Th fulsome, "Sino-Russian

relations have entered

Crowd a new age," he said.

Both countries deny they are

forming an alliance. But a suc-

cessful visit at this time is clear-

ly in the interests of both

presidents. Mr Yeltsin faces

elections in June at home, while

China is at loggerheads with the

United States on several is-

ssues. Yesterday's Sino-Russian

political declaration, in a point-

ed reference to the West and to

Washington in particular,

warned: "Hegemonism, power

politics and repeated imposition

of pressure on other countries

contradicting the Russian Pres-

ident, made it clear Peking still

believed "peaceful nuclear ex-

plosions" should be excluded

from the treaty.

"As for peaceful explosions,

it is clear China has its own po-

sition, but I also see scholars and

experts do not see eye to eye on

this subject either. Therefore

there should be further discus-

sions in this regard," Mr Shen

said. He would not say whether

China would stop other tests

when the treaty was signed, or

at a later ratification date.

The two presidents agreed

China and Russia will hold regu-

lar meetings and a telephone

"hot line" would be set up be-

tween Moscow and Beijing.

Plans for a hot line between

Peking and Washington are no

longer under discussion, said the

Foreign Ministry spokesman.

There was also a mutual de-

sire to speed up negotiations on

the reduction of military forces

along the 4,300km border. The

common border would be one

of "peace, tranquillity, friend-

ship and good-neighbourly

ness," said the joint statement.

Mr Yeltsin said Russia fully

adhered to a "One-China" po-

lity, would not establish official

ties with Taiwan, and offered a

"firm, resolute and clear-cut"

position on Tibet being part of

China. In return, Mr Jiang said

the question of Chechnya was

a "domestic affair" of Russia.

He also backed Russia's wish for

admission to the Asia-Pacific

Economic Co-operation body.

Widespread economic links

were promised, covering nuclear

energy, machine building,

aviation, space, agriculture,

communications and high tech-

nology. However, there was no

mention of any agreement over

sales of military equipment.

Although they have been

significantly improved over the

past decade, they are frequently

singled out by western nuclear

power experts as among the

most dangerous in the world.

"In my view they are no

worse than some of the early

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They simply could not explode."

Safe or not, the power plant

at Ignalina is here to stay, at

least for the foreseeable future.

Built when Lithuania be-

longed to the Soviet Union, the

plant was designed to provide

cheap power for all three Baltic

states, and Belarus.



Aftermath: Chernobyl after the world's worst nuclear accident 10 years ago. Ahead of today's anniversary a spokesman admitted careless staff caused a minor release of radiation yesterday, but it had been cleaned up and there was no environmental threat. Photograph: AP

## Lithuanians take pride in their Chernobyl

ADRIAN BRIDGE  
Ignalina, Lithuania

"For 10 years, people have been saying that this is another Chernobyl just waiting to happen. Well, it has not happened. And it is not going to happen. I can give you a firm guarantee."

As technical director of the Ignalina nuclear power plant in Lithuania, Gennadiy Negrovoda is used to being on the defensive. The two reactors at the plant are among the 15 that share the same design as the infamous reactor number four at Chernobyl that exploded 10 years ago yesterday.

Although they have been significantly improved over the

past decade, they are frequently singled out by western nuclear power experts as among the most dangerous in the world.

"In my view they are no worse than some of the early western nuclear power stations," insists Mr Negrovoda, squinting over every word. "But anyway, in the time since Chernobyl, they have been transformed into different reactors. They simply could not explode."

Safe or not, the power plant at Ignalina is here to stay, at least for the foreseeable future.

Built when Lithuania belonged to the Soviet Union, the plant was designed to provide cheap power for all three Baltic states, and Belarus.

Lithuanians initially viewed it with hostility, but changed their tune after gaining independence in 1991 and began to view the facility with pride.

By then they were also totally dependent on it. The two reactors in operation at Ignalina now generate more than 80 per cent of Lithuania's power, and closing them would plunge the country into darkness.

To those in the West who clamour for Ignalina to be closed, Mr Negrovoda asks: Where else are we going to get our electricity from? And who is going to pay for it?

Of the 15 RBMK Chernobyl-style reactors still operating in Russia, Ukraine and Lithuania,

the two at Ignalina are the highest and the most modern.

Modernity, however, is not the word that springs to mind on passing through the set of control barriers at the entrance to the plant. Here at "Check-point Charlie" - as the controls are termed by the plant's 5,000-strong workforce the plant has an outdated, run-down feel.

That image is reinforced outside by the sight of rusty cranes hovering over the foundations of a third reactor, the building of which was abandoned following public protests shortly after the Chernobyl explosion.

In the immediate wake of the disaster, the Soviet Union modified the RBMK reactors aimed

at ensuring nothing like it could ever happen again.

Despite Western assistance, Ignalina continued to be plagued by frequent mishaps, most worryingly the disappearance in 1992 of a fuel rod, now believed to have been stolen.

Such incidents have not helped convince the doubters that, in addition to technical improvements, the plant is now infused with the "culture of safety" in the workplace.

But according to Mr Negrovoda, these are routine occurrences. "All reactors have their weak points - even in the West - and that is how it should be. The point is, though, we are trying to improve all the time."

## Nato overtures place Ukraine in strategic dilemma

POLONY BARBER

It risks turning into a flashpoint between two new Western and Eastern blocs.

Nato's enlargement clearly seems attractive to governments in the Czech Republic, Hungary and Poland, keen to lock themselves permanently into Western institutions. But for leaders in Kiev the expansion of the Atlantic alliance is a process which, if mishandled, could threaten the integrity and independence of the Ukrainian state itself.

Despite Western assurances

that Nato's enlargement will not

threaten Russia, President Boris

Yeltsin and his advisers have

indicated that the Kremlin will

react vigorously if Nato goes

ahead. Seen from Ukraine, the

greatest concern is that Moscow

will seek to accelerate the po-

litical and military integration

of the Commonwealth of In-

dependent States (CIS), the

loose association of newly so-

vereign countries that replaced

the Soviet Union.

Under President Leonid

Kuchma, and his predecessor,

Leonid Kravchuk, Ukraine has

opposed closer integration of

the CIS, fearing it as a first step

to being dragged back under

Moscow's control. Leaders took

it as a bad sign when Mr Yeltsin

issued a decree last September

that envisaged the transforma-

tion of the CIS into a Russian-

led security alliance.

Matters have grown even

more serious for Ukraine this

year. The Russian parliament's

condemnation of the treaty

that abolished the Soviet Union

was quickly followed by the

announcement of a new union

between Russia and Belarus, a

pro-Russian state which borders

Ukraine.

Then Mr Yeltsin postponed

a visit to Kiev on the grounds

that Ukraine was delaying an

agreement on how to divide up

the former Soviet Black Sea

fleet, based in the Ukrainian

peninsula of Crimea. To crown

everything, Mr Yeltsin's chief

opponent in next June's presi-

dential election in Russia, Gen-

nady Zyuganov, is a Communist

who stands for the Soviet

Union's restoration, albeit by

peaceful means.

Significantly, all these implicit

threats to Ukraine's indepen-

dence have emerged even be-

fore Nato has set out a precise

timetable for incorporating

Poland and other states. As-

suming that it eventually an-

nounces such a timetable, there

are several ways for Russia to

tighten the screw on Ukraine.

One is to deploy extra Rus-

sian military forces in Belarus.

Another is to exploit Ukraine's

dependence on Russia for oil

and gas. A third point of vul-

nerability for Ukraine lies in the

fact that ethnic Russian ma-

jorities who are not noticeably

enthusiastic about Ukrainian

statehood dominate Crimea

and parts of eastern Ukraine.

Mr Yeltsin has avoided play-

ing these cards, but it is easy to

imagine a tougher Russian po-

lity in the event of Nato's ex-

pansion, especially if the next

president in the Kremlin is not

a reformer. With Ukrainian

nationalism enjoying its

strongest support in western

Russia and Ukraine,

there is an obvious risk



War in Lebanon: Villagers flee as Israeli jets bomb rural roads and reservoirs

# Shattered lives cast adrift on the broken highways

ROBERT FISK  
Ein Baal, southern Lebanon

The sound of the Israeli jets power-diving over the main road from Tyre to Qana sent us scurrying to the window. There was a rumble of bombs to the east and black fingers of smoke shot into the sky. When we reached the scene of the air strike, there was a 30ft crater in the highway and the olive trees were blessed with a fine grey dust from the explosion. The Israelis were cutting the roads all across southern Lebanon.

Over the hills of this poor, stony land, they were blowing up the ancient highways, isolating Qana from Tyre, Tibnin from Qana, Ghandouriyeh from the Litani river. They have now bombed three of the bigger water reservoirs, cutting water from 20 villages in the north, another 15 to the south, turning fertility into a future desert. "I had 800 goats," a middle-aged farmer lamented to me in the village of Kneiseh, as the jets howled over us. "Now 400 of them have died for want of food and the rest will die soon. The Israelis are driving out those of us who wish to remain on our land."

And, he might have added, stopping the brave young soldiers of the United Nations peacekeeping force - driving every day through Israeli shell-fire - from delivering the supplies which allow these tough Lebanese villagers to cling to their homes and land under the Israeli artillery bombardment. Convoys of bedding and of grain for livestock are humming south along the coast road, past Israel's three marauding gunboats but after yesterday's air strikes, they will be stranded in Tyre, unable to take their vehicles down the broken roads to those who so desperately need their supplies.

The Israelis will no doubt argue that their road-blasting is intended to hinder the movements of the Hizbollah, whom they still claim to be attacking after 15 days of their multi-billion dollar "Grapes of Wrath" epic. But the Hizbollah, as the Israelis should know very well, come from the south and living among these hills, living at night in the orchards, walking between villages, avoiding the dangerous roads.

The scale of the war in southern Lebanon - and of Israel's débâcle in this hopeless conflict - is obvious to the UN statisticians who daily log the outgoing and incoming fire of both Israel and the Hizbollah. In the 14 days since Israel's offensive began, for example, UN troops have recorded 523 Israeli air strikes in just their own area of operations, along with 23,000 Israeli artillery rounds fired into Lebanon.

But in the same period, the Hizbollah have managed to fire 1,100 Katyusha rockets at northern Israel - more in a fortnight than in the past 20 years - and were yesterday still retaliating with missile fire for Israel's destruction of the very infrastructure of southern Lebanon.

But the Lebanese are a resourceful people, and within hours of the air strikes they were driving their cars and vans around the massive bomb crater at Ein Baal, ploughing through the grey earth of the olive groves. The UN's Irish battalion was cut off in Tibnin by the Israeli road bombing, but by midday, Sergeant Thomas Byrne, Trooper John Hanley and their colleagues were manoeuvring their big SISU UN armoured vehicles along the same track through the orchard, the radio acrials of the Finnish-made personnel carriers thudding into the branches of the olive trees.

Relations between the UN and the Israelis are deteriorating almost as rapidly as Israel's disastrous military operation is collapsing. Two days ago, Israeli officers made it clear that UN personnel could report their movements but would receive no more "safe clearance". If UN soldiers were close to a village from which Katyushas were fired, the Israelis would fire back and the UN would have to take the consequences. This warning, it should be remembered, came from an army which massacred 120 Lebanese refugees in a UN compound only a week ago because two Katyushas had been fired 350 yards from the post.

From the old village of Shaiyeteih, its homes built with the stones from a long-pillaged castle, we could watch the Israeli assault yesterday, plumes of black smoke rising from the gentle hills around us and - just once - we caught a glimpse of an Israeli jet falling like an arrow into a cloud. "We will live here or be taken from here to our cemetery," a woman in a dark gown shouted at the UN soldiers who had brought food to the 100 people of her village. "There are no Hizbollah here but the Israelis want us out, away from our land. Never, never, never." The soldiers from Norway and Ireland and Sweden and Poland watched her in silence.

Are these, then, to be ghost villages in a depopulated land, a free-fire zone for both sides as Israel's fruitless offensive moves darkly into a third week?



Israeli soldiers' helmets resting on 155mm artillery shells during a full in fighting yesterday Photograph: Nati Hamik

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## Unions threaten Kohl over welfare cuts

IMRE KARACS  
Bonn

In an effort to revive the country's economy and make it fit for European Monetary Union, the German government yesterday launched a concerted attack on the welfare state, targeting social expenditure and workers' rights in one swoop.

By signing up for the most stringent austerity programme since the Second World War, the parties in Chancellor Helmut Kohl's centre-right coalition declared open season on the country's sacred cows. Sick pay, unemployment benefit and pensions will bear the brunt of cuts in the social safety net; the burgeoning government bureaucracy can look forward to massive redundancies and no pay rises for the survivors.

The package, greeted with caution by the business world and howls of derision from the unions, marks the beginning of the end for Germany's much-vaunted consensus politics. The unions are contemplating strikes and threatening to consume no more beer and sandwiches with Mr Kohl. The opposition Social Democrats have warned of gridlock when the measures reach the upper chamber of parliament.

The Chancellor has hit back by putting his case directly to the people, in a letter to the mass-circulation *Bild* Zeitung. "If we don't act now, then more jobs will be lost," he wrote. "Our social welfare state would no longer be affordable."

The government needs to slash 75bn German marks (£34bn) from next year's public expenditure in order to bring the deficit below the 3 per cent of GDP dictated by the Maastricht Treaty. Under the "Programme for more growth and

employment", to be submitted to the Bundestag today, savings will come in equal measure from the federal budget, the regional and local authorities and the complex system of social insurance.

The latter is the most contentious. In taking a swing at sick pay, the Chancellor has rekindled the nation's deep-seated fears about illness and poverty. Under the present system, workers on sick leave are

entitled to full pay, overtime included. This has frequently enabled them to earn in their sick beds more than their basic pay. The new rules will guarantee only 80 per cent of basic pay in the first six weeks of sick leave, although in-house agreements in larger corporations are likely to remain more generous. For employees of small outfits, however, a new age will dawn on 1 January.

The national pension funds will also make savings, following the decision to raise the pension age for women from 60 by at least three years, for men from 63 to 65, and to curtail early retirement schemes which

amount to state-subsidised redundancy. A planned 10-per cent increase in child benefit, now DM200 per month, is to be postponed. The growing ranks of the unemployed will be hit by a shrinking dole.

"The right direction but not the right pace," commented the head of the National Employers' Federation, Hans-Olaf Henkel. The unions were less guarded. "The catalogue of horrors demanded by the employers and planned by parts of the coalition is completely misguided," said Dieter Schulte, Chairman of the German Labour Federation. "It would not create a single job."

The unions fear Mr Kohl is harnessing the crisis to rebuild the foundations of Germany's economic model. Among the government measures is a plan to loosen the rigid laws on dismissals, bringing Germany closer to the hire-and-fire climate of Britain and the US. Under the new law, employees of small companies will have no protection against dismissal. The Chancellor also intends to cut companies' wage burdens, which are boosted by vast social security contributions. The cost of German labour is the highest in the world, forcing companies to relocate abroad. If it was cut, business leaders argue, German industry could again compete on the world stage. Next year will see a new wave of cuts and the start of the overhaul of the tax system.

The unions are not going to take it lying down. "We will stop this drift to unbridled capitalism," pledged Klaus Zwickel, leader of the largest union, IG-Metall. It is doubtful he will succeed. Union membership is falling and with more than 4 million workers on the dole, militancy is in decline.

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# Dudayev successor promises holy war

PHIL REEVES  
Grozny

The successor to the Chechen leader, Dzhokhar Dudayev, killed in a Russian rocket attack this week, yesterday vowed to lead a holy war against Russia and promised to take the conflict to "a new level".

Sitting less than a mile from the field in which Dudayev was killed by a Russian rocket, Zelimkhan Yandarbiyev showed little sign of being willing to compromise with the Kremlin, and called for a "popular uprising" in Chechnya and across the Caucasus.

Watched over by a frail-looking bodyguard, the 44-year-old Chechen — a poet and former bricklayer — launched into an attack on the "mafioso-like" Russia and accused President Boris Yeltsin of being responsible for the 16-month war.

"It is my firm purpose to bring peace to the Chechen people and, in the name of that peace, I will lead them in war," Mr. Yandarbiyev said. "I will take the lead in a Jihad of the Chechen people in the name of Allah and their freedom."

The appointment of the little-known Chechen has led to speculation that he may be a temporary leader, filling in until the separatist commanders settle the succession. But he gave no indication of planning to stand down soon.

In an oration paying tribute to the dead general, Mr. Yandarbiyev praised his dignity, honesty and courage. "Someone had to lead from the front."

Mr. Yandarbiyev, a vice-president during Dudayev's three years in power, can hardly be perceived as soft on Russia so soon after the death of the general who died in a Russian rocket attack while speaking on a satellite telephone in a field in southern Chechnya. He is less flamboyant than his predecessor — but he may prove equally difficult to negotiate with.

As the new Chechen commander-in-chief outlined his plan to journalists at his rebel hideout the citizens of Grozny were in a state of denial. They seemed as reluctant to believe in their leader's death as they are in President Yeltsin's promise, but never-delivered, ceasefire. There was no evidence of the three-day mourning period declared by the Chechen leadership.

In southern villages — the heartland of rebel support — groups of elders sat praying.

"I personally don't believe he is dead," said Nikolai Samiyev, 44, one of the team of workers clearing up the rubble of the now demolished presidential palace.

"If a man dies, everyone gathers together. But there were only two or three, as if he were a dog."

Behind him three Soviet-era bulldozers ploughed through the tangled ruins of what was once Dudayev's seat of power. "He was the first President. If he was dead, they would have done more."

The general's death was confirmed on the rebel-run presidential TV channel on Tuesday by Shamil Basayev, a top Chechen commander. There have been many lies told in Chechnya, but Grozny's unwillingness to believe in Dudayev's death is partly rooted in a reluctance to concede any victory to the Russian troops who occupy their city.

At a make-shift market stall, Tymisha was convinced the general's death would make no difference. The war would carry on without him, she said.

So, evidently, will the opposition to Russia's presence in this remote republic.

"The soldiers provoke us all the time," she said. "They fire their guns in time with music they hear on their headphones just to inspire fear in us, so that we remain in a permanent state of shock."



Occupational hazard: Torero Emilio Munoz is hooked by a bull's horns during a corrida in Seville yesterday. Munoz, who was not injured, appeared in Madonna's 'You'll See' video last year. Photograph: AP

## America finally agrees on its budget

Both sides claim victory and seek to tackle long term deficit, reports Rupert Cornwell in Washington

Seven months and two partial government shutdowns later, Republicans and Democrats have finally agreed a 1996 federal budget, and are sending signals that even in this raucous pre-election period a longer term balanced budget deal may not be far off.

Of itself, the spending package agreed on Wednesday evening by White House and Congressional negotiators and which President Bill Clinton will sign as soon as the Senate and House of Representatives have given their approval, does not tackle the root cause of the perennial United States budget deficit — the self-enlarging, seemingly unstoppable "entitlement" programmes of Medicare, Medicaid and welfare.

But a succession of scaled back, stopgap bills since the original missed deadline of 1 October 1995, has performed reduced the deficit, which is expected to drop to around \$140bn (£93bn) this year. That figure, the lowest since 1982, represents barely 2 per cent of Gross Domestic Product, by international standards an eminently respectable performance for which both parties were claiming victory.

For John Kasich, the Republican chairman of the House budget committee and often mentioned as a possible vice-presidential running mate for Senator Bob Dole this autumn, the deal saved \$30bn of spending and "should be celebrated as the biggest downsizing of Washington since World War Two". But the White House could not hide its own satisfaction, insisting that it had fended off truly draconian cuts sought by Republicans and scored major victories on environmental and social programmes.

But if one battle is settled, others are about to open. First and foremost are negotiations for a 1997 budget, due to be completed in just five months' time, but which as the election draws closer may well prove even more grueling than those belatedly completed this week. Hence the fresh talk of a balanced budget deal. The notion began almost in jest, a challenge casually thrown down by Mr Dole for one-on-one discussions between himself and the President. But the White House instantly accepted, leaving Mr Dole to ponder his next move.

The calculation is delicate. Both sides are committed to balancing the budget by 2002, and the plans they have proposed are not that different. Mr Dole's problem is that to strike an agreement would allow the President to claim a victory. But it would also show that he can live up to his constant campaign promise of being a man who "gets things done". And as he trails Mr Clinton by 15 points in the polls and mutiny starts to rumble in Republican ranks, few gambles can do much harm.

### IN BRIEF

#### Learning to love a single currency

Brussels — Every citizen from the kindergarten upwards, is to be targeted by a mammoth publicity drive on Europe's future single currency, according to plans unveiled here yesterday, writes Katherine Butler.

The European Commission detailed how, in the words of the Finance Commissioner, Yves Thibault de Silguy, it would "get people to love their new currency". Cartoons, videos, CD-Roms, newsletters, conferences, public meetings, data banks, a roadshow and the Internet will soon blitz the public.

#### Khan fields a party

New Delhi — Imran Khan, the former cricket star turned social worker, launched a reform movement that he said "marks the beginning of a battle against corruption and injustice" in Pakistan, writes Tim McGirk.

#### Ciller faces grilling

Ankara — The former Turkish prime minister, Tansu Ciller, met with party aides to assess their role in the ruling coalition after parliament voted to investigate corruption charges against her.

#### No dirt on Gonzalez

Madrid — Spain's Supreme Court investigator found no evidence to link the outgoing Prime Minister, Felipe Gonzalez, to a 1980s "dirty war" on Basque separatists.

#### Bosnia 'killing foes'

New York — The Muslim-led Bosnian government has dispatched Iranian-trained commando units to kill or capture its enemies, *The New York Times* reported.

#### Drug lord in motion

Bangkok — Burma's surrendered drug lord, Khun Sa, has won the right to operate a bus company but Thai narcotics agents said they feared he would move heroin as well as his passengers.

#### General retreats

Asuncion — Paraguay's President, Juan Carlos Wasmosy, said he will not fulfill a promise to make his rebellious army chief, General Lino Oviedo, Defence Minister.

#### Infidelity expected

Paris — A French poll found more than three-quarters of those asked would not be shocked if President Jacques Chirac or the Queen turned out to be unfaithful.

## Corn makes a meal of Latin love

ANDREW GUMBEL  
Rome

Forget ginseng and oysters. If you really want to get into an amorous mood over the dinner table, you should stick to plain old corn.

That, at least, is the recommendation of an Italian psychiatrist at the University of Geneva, Willy Pasini, who has been writing about food and sex for years. According to his latest research, copiously reported in this month's issue of the glossy magazine *Class*, there is nothing in the kitchen more sexually enticing than a big, sloppy bowl of polenta, the ground cornmeal mush eaten as the hearty winter filler in the north Italian plains.

Apparently, cornmeal is unusually low in a hormone called triptophane, which along with a related substance called serotonin usually makes people sleepy after they have eaten. Polenta is thus liable to keep you up until all hours, in every sense.

"Experiments with laboratory rats have shown that a solid maize diet over five days drives the little beasts into a frenzy of copulation, even making them

forget their sexual orientation," Professor Pasini reports.

So does that mean that half of northern Italy jumps in and out of bed with each other, irrespective of gender, during periods of cold weather? No, explains the professor, who is himself from Milan; humans can only take so much polenta at any one sitting without becoming distinctly antisocial. "In very large doses, maize provokes flatulence," he said.

Professor Pasini, who is also a member of the Italian Cookery Academy, has some more conventional aphrodisiacs to offer.

fer: sparkling wine, seafood starters, fresh fruit, especially peaches, and chocolate. One more unusual suggestion is frogs' legs, which contain safe but suggestive quantities of cantharidin, the toxic stimulant most notoriously found in Spanish fly.

But it does not seem such recommendations make much of an impression on would-be Latin lovers, despite the abundance of potions and strange remedies around Italy. Opinion polls show only 5 per cent of Italians even think about aphrodisiacs when planning a romantic dinner with a new flame.

## 'Flaubert of the kitchens' hangs up his tea towel

In a land where taking food seriously means taking Delia Smith seriously, it is not easy to understand the excitement that had the whole of Paris trembling like the jellies at an English kids' birthday party this week. Joel Robuchon, the world's greatest three-star Michelin chef, had vowed to quit the kitchen when he reached the age of 50. No one believed he would, but this week he did. In the modestly named "Joel Robuchon" eatery, Mr Robuchon threw in the tea towel and named his successor. Sensation followed sensation. With one flick of his whisk, he created the world's first six-star chef. "Of France's 35 three-star Michelin chefs, only Alain Ducasse has the talent to run my restaurant," Robuchon declared.

Ducasse, known as the "other prince of Monte Carlo", will be keeping his current position as top chef at the world-famous Restaurant Louis XV in the principality, but will combine this with the Paris job. The Joel Robuchon restaurant will be called the Alain Ducasse after Robuchon cooks his "last supper" there on 5 July. The 45 seals among the Nina Campbell decor of the top temple of gastronomy are all spoken for, and as the establishment is booked up three months in advance, it is now too late to reserve a place at one of the hallowed tables.



Stirring stuff: Joel Robuchon (left) and Alain Ducasse

Most of us will never know what his signature starter, *Gigée du Caviar à la crème de choux-fleur* even tasted like. For those of us who think in terms of chipped, boiled, roast, mashed and jacket, we will never even taste in our dreams any of the 100 recipes for the potato, by the man for whom doing things with spuds was an art-form.

The Robuchon clientele will certainly notice a difference when they become the Ducasse clientele. From the time he opened his first restaurant in Paris in 1981, Robuchon used traditional recipes, simple products and the finest ingredients, for which he charged a fortune. His starter alone now comes at 300 francs and the average bill is 1,600 francs per person. "By the purity of his style he became the Flaubert of the kitchens," said Ducasse.

In 1995 Robuchon was awarded the Legion of Honour by François Mitterrand, and there were obvious suspicions that the late president, whose favourite dish was apparently *La fameuse île de cochon* was simply making sure he could always get a table.

We do not know how pure or impure the Ducasse style will be, but we do know he is a very different kettle of sardines from Robuchon. Nine years ago, having survived a horrific air crash, Ducasse signed a contract that no other leading French chef dared put his name to. Not only did he agree to create what his employers planned to be one of France's greatest restaurants. He guaranteed to get three stars in the coveted Michelin Guide or lose his job.

At that time, anything that was not Beluga caviar or Dom Perignon champagne was looked on with suspicion by the top eaters. But within two years Ducasse won his three stars with his daring nouvelle-Mediterranean cuisine and at 33 he became the youngest chef in the history of the Michelin Guide to receive the accolade.

As for Robuchon, he will no longer be putting in his customary 18 hours a day in the kitchen, but he is talking of a new life giving lectures, launching a lunchtime TV programme, commuting every three months to Japan, and continuing his research into the psychology of cuisine.

The Italians sometimes delay their gratification longer than the French. On 18 April, 1948, a young Italian Communist Party militant called Nilde Iotti put a bottle of champagne on ice and listened expectantly to the election results on the radio. But for her, it was a bad night: the Communists lost, and the champagne remained unopened.

Forty-eight years and three days later, a 76-year-old Mrs Iotti finally got to uncork that bottle as the centre-left Olive Tree coalition celebrated their historic victory over Silvio Berlusconi's centre-right last Sunday.

She didn't say what the champagne tasted like; one wine expert said it would probably be fine but altered somewhat by resting so long on the shelf. A bit like the Italian Communist Party itself, which has mutated down the decades into an entirely new party.

Margaret Kemp and James Roberts

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# A big Little Englander

Sir James Goldsmith is playing for high stakes. And as **Paul Valley** reports, with a billionaire's budget at its disposal, his Referendum Party could become a serious contender at the next general election

They are pulling down the shutters, metaphorically speaking, at the Hammersmith headquarters of the Referendum Party. Its founder, Sir James Goldsmith, is off to Paris or Mexico or wherever to join his wife or mistress (he publicly acknowledges both.) Grey will descend again upon the British political scene until this exotic bird of paradise returns for his autumn passage in the season of the party conferences.

Only the foolhardy would dare underestimate Sir James. This is the man who in 1987 sold most of his companies – just before the Wall Street crash that wiped out many other businessmen. Today he is the eighth richest person in the UK, worth around £1.2bn.

And now he has brought his high-octane brain and well-honed instincts to bear upon the world of politics. Two years ago in France he formed his own party, *L'Autre Europe*, and won 14 per cent of the vote in elections for the European Parliament. This week his newly formed Referendum Party – which has a single goal: to force the Government to hold a referendum on whether the UK should pull out of the European Union – has sent the Tory high command into a spin.

There is some cause for concern. An anti-EU candidate in the Staffordshire South East by-election this month won more than 10 per cent of the Tory party's total votes. If Goldsmith's party – on which he has vowed to spend £20m – replicated that at the general election, where it plans to field some 500 candidates, the Conservatives could lose 30 seats.

Sir James's party is gaining momentum. A former Tory party treasurer, Lord McAlpine (a key figure in the pro-Europe campaign in the 1975 referendum on Britain's membership of the Common Market), has pledged support. The right-wing challenger to the prime minister in last year's leadership election, John Redwood, has engaged in a public gaffe with the billionaire this week. And the *Sun* this week joined the referendum camp with a full-page editorial that parroted the Goldsmith line.

Mindful of the impact which businessmen like Ross Perot and Silvio Berlusconi have had elsewhere – the Italian business magnate became prime minister and the Texas billionaire took a big enough share of the vote to help Bill Clinton remove Mr Bush from the White House – the Government has been forced to respond. After scorn from Lord Archer was brushed to one side, John Major on Wednesday was forced to attack Sir James directly for "living in cloud-cuckoo-land". Yet establishing how real a threat Goldsmith might pose is far from easy. Some reports at the weekend suggested that the only support for the party came from a "Dad's Army"

of elderly xenophobes, blimpish ex-army officers, and other assorted Tufton Buttons. The Goldsmith camp has decided to keep mum on the identity of its candidates, either because that portrait is all too accurate or because they feel that media interest is peaking too early in a campaign that still has a long way to run.

The party's chief spokesman, former Tory Central Office press officer Michael Guntton, insists that it is the latter. He promises there will be quite a stir when the party unveils its full list of candidates. So far it has announced only one, Professor Alan Walters, whose persistent advice to Prime Minister Margaret Thatcher against Britain's entry into a single currency led to the resignation of Nigel Lawson as Chancellor of the Exchequer. (Walters is to stand for the Referendum Party against Kenneth Clarke, the Chancellor, in his Nottingham seat in the election.) But the party claims to have recruited 400 of the candidates it needs to challenge every MP who is not committed to a referendum. And it claims it is putting in place the machinery to support them.

**'It could make Conservatives unelectable for a generation. It could destroy the party for ever'**

which means supporters' groups to help put up posters, deliver leaflets. The idea for a referendum on Europe was first hatched seven years ago over a bowl of pasta in the home of Christopher Monckton, a former member of Margaret Thatcher's policy unit. Among those around the table in the tiny living room dominated by a life-size portrait of Monckton dressed as a Knight of the Roman Catholic order of the Knights of Malta, was Patrick Robertson, the enfant terrible founder of the Bruges Group. It was a good wheeze but not timely, they decided. Four years later Robertson recalled the idea and, dressing it up in grander regalia, flogged the idea of a full-blown referendum party to a powerful backer: Sir James. The Referendum Party was founded in November 1994 with one member of staff and two secretaries in a small office in Hammersmith. Two years on it has offices on three floors, 20 members of staff, 20,000 supporters and is about to move to Westminster. It has staff specialising in candidate recruitment, research and administration (though unlike most

parties it does not need a fund-raising department.) Its main preoccupation is selecting 100 or so more candidates for the election. It estimates that it will not need to stand against 76 Labour MPs, 47 Conservatives and most Lib Dems, who are already committed to pressing for a referendum.

Its candidates have largely been drawn from a database of Eurosceptics assembled by Monckton from the results of a nationwide telephone poll three years ago. Four full-time interviewers have been touring the country meeting those who responded affirmatively to a letter sent out to 30,000 potential supporters and weeding out those with extreme or unsuitable views. Those selected have then been given training sessions with Guntton on organisation, campaigning and handling the media.

The party's plan, apparently, is to announce the full list of candidates with fanfare at the time of its first public conference, which is timed to take place on 18-19 October, just after the Conservative Party Conference. What is already clear, however, is that the motives of the motley bunch that has gathered around the party are extraordinarily varied. Yet they are all playing for high stakes. Goldsmith himself – who may fight Euro-philic minister Ian Taylor in Essex – does not seem motivated by power as were Perot and Berlusconi but by a consuming conviction that British politicians are in the process of surrendering utterly to an unelected dictatorship of Euro-bureaucrats. Others see in the Europe debate a convenient battleground on which to fight over domestic spoils, particularly the future of the Tory party.

Christopher Monckton concedes that the Referendum Party might hand a victory to Labour or turn a Labour victory into a landslide. "It could make Conservative Party unelectable for a generation. It could destroy the party for ever," he admits. But in the split that would follow in a defeated party "those who have no concern with retaining our democracy, the Heseltines and Charles who have always been corporatists, will go one way and the vast majority of the Tory faithful will go the other – which of the two factions ends up pulling itself the Conservative Party time will tell." It may all turn out to be the obsession of a handful of far-right Conservatives who are losing touch with reality even more swiftly than the rest of their colleagues. But it may just turn out to be the dominant issue of the forthcoming election. The BSE crisis, the predations of Spanish fishermen, and controversial rulings by the European Court of Justice may put electoral flesh on an issue that has hitherto been the preserve only of policy wonks. Only time, as Monckton says, will tell. But make no mistake, they are playing for high stakes indeed.

## The team that aims to take us out of Europe



**Goldsmith**

Sir James Goldsmith, the founder and the brain of the RP. Retired from active business in 1990 after selling out just before the 1987 stock market crash. The 63-year-old spends much of his time in France and Mexico. Active in French politics already as European Member of Parliament.

**Duckworth**

John Duckworth, 57, is the RP's former Conservative Party agent for Yorkshire, whose MP Spencer Batiste backed Michael Heseltine in the 1990 leadership election.

**Guntton**

Michael Guntton, Chief Press Officer, is also responsible for training RP candidates in campaigning and handling the media. His favoured technique centres around "10 reasons why we need a referendum". He was a Treasury press officer when Nigel Lawson was Chancellor. Later joined Conservative Central Office to complaints from Labour at top civil servants turning political. Quit the Tories over Europe.

**Robertson**

Patrick Robertson, personal PR to Goldsmith. Age 27. Boy wonder founder of the Bruges Group (hon. pres. – Mr Thatcher) which he ran from his college rooms at Oxford. But he and his supporters resigned and withdrew funding after a series of blunders, including a claim over the group's money. Robertson is now a director of the Hamilton Group, which handled PR for wedding of Iranian Khan and Jemima Goldsmith.

Additional research by Henrietta Norton

## Businessmen in politics: how Goldsmith compares



**Berlusconi, Forza Italia**  
Organisation: Devoted to the leader; party meetings are rare, and stage-managed to allow maximum homage to be paid to the great man. Glitzy fundraising dinners and TV promotions are more Berlusconi's style.  
Launched: 10 January 1994

**Membership:** The party has never made much effort to recruit; there is a network of national party clubs, but Berlusconi feels that a strong formal membership is not necessary to solicit votes.  
**Candidates:** In the recent general election, the party fielded candidates in all constituencies except those in which they had agreements with other parties.  
**Finance:** The party's finances seem in good health. Berlusconi is still embroiled in a court case, which led to the fall of the coalition government he headed in 1994, over allegations of bribery. There are limits on election campaign spending, but Berlusconi's media blitz appears to have exceeded them.  
**Influence:** Berlusconi has fingers in many pies – insurance, supermarkets, real estate, and television. He controls three TV stations, and his advertising agency, Publitalia, produces 90 per cent of all the TV advertising.  
**Political impact:** Berlusconi was a vital force in shaking up the old corrupt centre-right establishment in Italian politics with reformist agenda. Has a broader political ambition than Goldsmith's single-issue campaign.



**Ross Perot, Reform Party**  
Organisation: Although very much Mr Perot's baby, the Reform Party is starting to acquire some life of its own. In this and, a nationwide modern-linked "cyber conference" in September will choose a party leader. In the unlikely event that this is not Mr Perot, he has pledged to step aside.  
Launched: The Reform Party evolved late last year from United We Stand America, the group which supported Perot's 1992 presidential bid.  
**Membership:** A network of loyal groups are slowly collecting signatures to allow the party to campaign in all states.  
**Candidates:** All effort is devoted to the presidential race.  
**Finance:** Perot, a computer billionaire, says he wants to cut the moneyman out of American politics by spending only his own money. In the last campaign, Perot lightened his wallet to the tune of about \$65m.  
**Influence:** Perot was at one stage ahead of both Bush and Clinton in the 1992 election race, but currently polls around 12 per cent. His shadow haunts the current presidential race (election in November) because Bob Dole, the Republican candidate, is so weak.  
**Political impact:** Perot is more like Goldsmith in the sense that he has a simple anti-Washington message, which focuses on balancing the federal budget. Shares with Goldsmith an antagonism to free trade.

BEN SUMMERS

## DIARY

### Criminal tendencies

It was, they said, strictly a do for the writers. No squawking PRs, no pompous publishers, just an annual jolly for authors and friends in the mellow 18th century grandeur of a bookshop on Piccadilly. The Hatched Authors of the Year reception is indeed a rare affair.

And the promise of a PR-free zone clearly works wonders with our shy wordsmiths. Through the door poured a veritable flood of the great and the good – Harold Pinter, Lady Antonia Fraser, Lindavice Kennedy, David Attenborough and Ken Russell, pausing only to sign the visitors' book – the single formality of the evening.

So how grand did you need to be, not to bother signing in? As grand a former Cabinet Minister as Lord Jenkins and Kenneth Baker (above) conspicuously declined to write their names.

The signing-in formalities over, guests were slightly startled by the late arrival of two burly uniformed police officers. Could they be the latest hot authors to watch – or were they checking up on their erstwhile bosses' after-hours drinking habits? Nothing of the sort. This, I was told, was Willy – the local PC, book launch habituee, and "the best read policeman in all of London."

"Oh," boomed Willy, "I never miss one of these, nor a book signing. And I always have a chat with the author. I got into a right row with Jeffrey Archer when he was here – terrible, he is. Writes crap. I reckon I should nick him for impersonating a novelist."

Community policing at its finest.

### Things could have been worse

Sir Edward Heath has not lost his skill at the one-line or even one-word put

### Just one more rant...

Rule number 34b of journalism is never give a writer just one more column, directly after sacking them. They generally take the chance to say all the wrong things. My old friend Mat Coward, whose schizophrenic activities include humorist with *New Statesman* and *Society*, and activist with the Labour Party in Finner, is not to be part of the new Ian Hargreaves regime at the *Statesman*. But he is given one last

That was followed by ribald laughter all round by Duncan's Tory chums. There was a 22 per cent swing to Labour in Staffs South East.

### Stakes are high when luvvie meets bookie.

Sir Andrew Lloyd Webber's wife, Madeline, as well as inspiring the occasional piece of swirling romantic music by her spouse, is also well-known as a racehorse owner. I suspect she is the inspiration for Sir Andrew's Really Useful Group taking over much of the card at Newbury races on Sunday 19 May. Thus we find such sponsored races as The Jesus Christ Superstar Raced Stakes, which a spokesman for Newbury chairman Lord Cameron describes as "a nice touch for Sunday racing."

In addition, local school choirs will be frightening the horses, singing from the Lloyd Webber oeuvre. The members' enclosure will be seating with theatricals and their guests, headed by Sir Andrew. And I look forward to witnessing the culture clash as luvvie meets bookie. The latter, I should warn the Really Useful Group, are not renowned for sir kissing.



Andrew and Madeline's novel form of transport at the Derby

### Jazz and the Jackson factor

Playing an instrument is no handicap to getting in the White House as those who have listened politely to President Clinton and his saxophone will know. But we weren't dropping any hints to American civil rights campaigner Jesse Jackson when a piece about him here yesterday was accompanied by a picture of jazz trumpeter and composer Quincy Jones. It was, as they say in the best jazz and political circles, computer error. Our apologies. The real Jesse Jackson is pictured here.

### Netting a bargain

They're all becoming computer buffs on Humber-side. Hull's municipally owned telephone network charges just 5.5p for local calls, regardless of their duration. A fine civic gesture, until you remember that the Internet works on the basis of a local call charge. The Communication Workers Union magazine *Voice* reports that one local "anorak" stayed on line for eight days for his 5-and-a-half pence.

Eagle Eye

# Dead Meat

On the 28th March, Juliet - one of the last surviving northern white rhinos - was shot, butchered and left to die.

She was the second rhino to be slaughtered by poachers in the Garamba National Park this year. Tragically, she was pregnant and her unborn calf died with her.

Juliet's death brings the number of northern white rhinos alive in the wild to just 29. Note, pictured above, is one of the survivors - but for how long? Every day, the poachers move closer to wiping out the entire species. Forever.

The Garamba Rhino Emergency Appeal has been set up by WWF specifically to tackle the problem of poaching, and to protect the rhinos from extinction. We're asking every Independent on Sunday reader to support this appeal. £30.00 could keep a specialist surveillance team in the air for one more day. Please, help us if you can. The future of the northern white rhino could depend on it.

WWF-UK, FREEPOST, Panda House, Weyside Park, Godalming, Surrey GU7 1BR

Please send your gift to: Garamba Rhino Emergency Appeal, WWF-UK, FREEPOST, Panda House, Godalming, Surrey GU7 1BR

Mr/Ms/Miss/Ms Initials Surname

Address

Postcode Tel No: (inc STD)

I enclose a cheque/postal order made payable to WWF-UK, in help protect the northern white rhinos. Please accept my gift of: ☐ £250 ☐ £100 ☐ £50 ☒ £30 ☐ £25 Other £

OR

Please debit my Access/Visa/CAF Charity Card (delete as appropriate)

Card No. Expiry Date

Signature

Under the terms of the Data Protection Act, you have the right to check at any time if you do not wish to have your details passed on to WWF-UK for their purposes. If you do not wish to have your details passed on, please inform WWF-UK immediately.

Charity registration No 2011707

WWF



## A government lost in confusion

Privatisation was meant to get government out but it keeps on being dragged back into the water industry over the disastrous performance of some of the privatised companies, and into electricity by the wave of mergers that was threatening to sweep through industry. Ian Lang, the Secretary of State for Trade and Industry, was undoubtedly right to block the bids by PowerGen for Midlands Electricity and National Power for Southern Electricity.

But he may well have made the right decision for the wrong reasons, to preempt the Tory right opening up a new front of internal opposition over the Government's commitment to competition. Worse, it leaves competition policy in a mess, the position of the Monopolies and Mergers Commission uncertain and the future shape of the electricity industry hanging in the air.

Despite Mr Lang's unexpected decision, overturning a recommendation made by the MMC, the Government's anxieties over the industry will not go away. As on so many other issues the Government appears caught between two ultimately conflicting views of the world. On the one hand there is its legacy from the 1980s: a belief in competition as the motor of economic efficiency. On the other is the influence of Michael Heseltine's view that we need something called an industrial policy to promote companies we can regard as national champions.

That belief that competition policy should partly attempt to create national champions has too frequently influenced the MMC under the chairmanship of Graeme Odgers. The ill-fated report on electricity mergers at times seemed to second guess what its authors thought ministers might like to hear.

There is very little "national" about the "champions" these policies seek to create. Leading British companies often turn out to employ more people overseas than here, and have a stockholder list that starts with addresses in New York and ends with hanks in Osaka.

Government regulation of the electricity industry should protect the consumer by promoting competition. The trouble is that the industry is now suspended between two stools. The Government has allowed some integration between power generators and distributors, through Scottish Power's ownership of Manweb and Lord Hanson's move from electricity distribution into generation. The original model of keeping distributors and generators separate is already corrupted. Yet by blocking the two most recent bids the Government has prevented a new model emerging of an industry dominated by four or five vertically integrated electricity companies.

The electricity companies might be able to survive all this meandering, but the outlook for the regulators is less propitious. Stephen Littlechild, the head of the electricity regulator Ofwat, looks ever more like what he is - a provincial academic out of his depth in the big league.

He has been undermined both by his own inexperience and the Government's confusion about competition. The role and function of the MMC have also been put in play. At times in the past few years it has seemed the MMC could easily be rolled up into the DTI. A restatement of the Government's position on competition is urgently needed. But of course that is the last thing we will get from an administration which veers between two views on most things.

## Coming soon: a Euro football lesson

If what we are hoping for from England in the Euro 96 football championships - only six weeks away - is honourable defeat, then Wednesday's draw with Croatia at Wembley was certainly encouraging. The time is fast approaching when we have to face reality about Terry Venables' reign as England coach. Many had hoped that regardless of his off-the-field travails Venables would revive England after the dreadful tenure of Graham Taylor.

The truth is we are not bad, quite respectable, in fact, but little better than that. We can grind out a draw with the best of them. We can close down the opposition, deny them scoring opportunities, turn a good game into a stalemate. But can we win with any conviction? Forget it.

There were some good things on display at Wembley on Wednesday: the makeshift defence was sound (against an opposition that gave up trying to score); the midfield was disciplined and Paul Gascoigne occasionally creative; Robbie Fowler appears to be a prodigious talent although he missed chances.

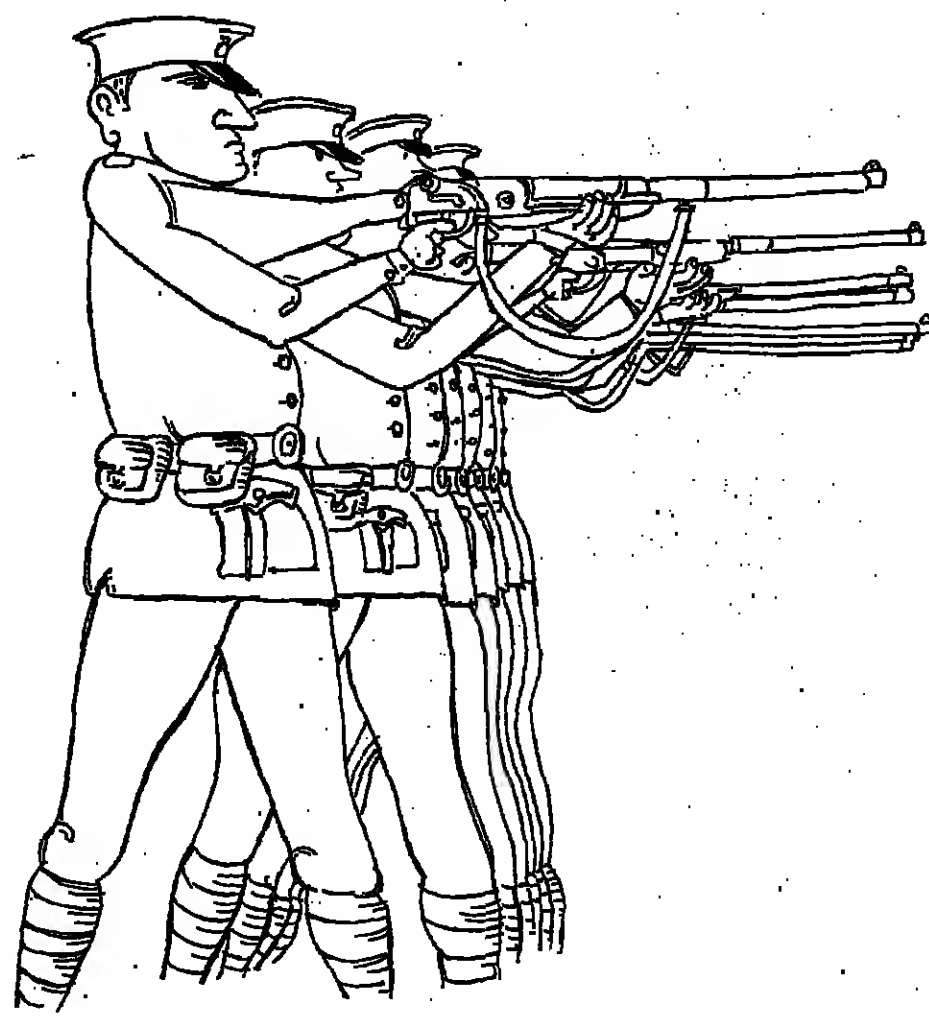
But that piecemeal praise misses the point: Croatia is better prepared for the championships than the hosts. Croatia's skill and sophistication is not simply the product of having a clutch of players with top teams in Europe. Nor were all the good players inherited from the former Communist system in Yugoslavia. They are still

producing them. The real testimony to the depth of Croatia's football culture came on Tuesday night when its under-21 side beat England convincingly. How can it be that a small nation a only a few years old and still recovering from the effects of a bloody civil war in the former Yugoslavia can produce a better youth team than England with all the money that has been pumped into premiership football in the past couple of years?

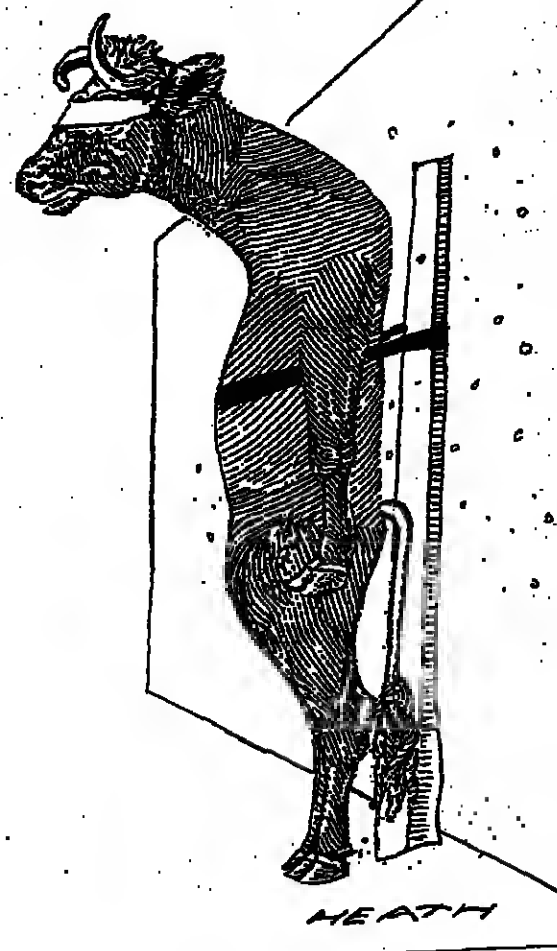
The answer is that Croatia seems to have an football culture intense enough to overcome the country's material weaknesses. That culture produces players who think their way to victory. Most of the British press joked derisively that Wednesday's game was like a game of chess; that insult in Britain is probably a compliment in Croatia.

It may all come right. Venables may yet pull it off. But it is not looking remotely likely. English football fans have probably been preparing themselves for months for the sense of deflation they will almost certainly feel this summer.

That will leave us with the task of devising an approach to the game, particularly the way it is coached to youngsters, that should give us some hope for the future. It's obvious where that review should start: a serious examination of how countries such as Holland and Croatia produce young players of such skill, poise and talent.



To die for your country



HEATH

## LETTERS TO THE EDITOR

### Labour's challenge: to win power and keep faith with the poor

Sir: The vital point in Andrew Marr's opening article (22 April) in your series on Tony Blair's politics is to be found in his penultimate paragraph: Will they "really help the poor, or turn their back on them?" Is Labour capable of winning and holding power?

Like many thousands of active Labour Party members I am deeply upset by recent policy changes and hold that the party should stand firm by its long-held aim - to help these in greatest need. We believe that this is the way to win votes too. To ignore or, worse, to injure working people would lose millions of potential voters. Apart from Robin Cook no one in the Shadow Cabinet seems even to mention the poverty class.

Labour should strive to satisfy not just the upper middle class but the far bigger working class as well. Consider the millions dependent on shrinking health services, the unemployed, the pensioners, homeless, the sick and disabled, one-parent families and those employed at sweatshop wages.

Labour should fix a minimum wage of over £4 an hour for the five and a half million earning less; oppose recent proposals to end child allowances for the 16- to 18-year olds; plan to build at least 100,000 new houses to rent for the ill-housed; refuse to permit cross-ownership by the big five national newspaper owners and the commercial TV companies; adhere to universal pensions and thus avoid means tests and stop weakening Labour's links with 8 million trade unionists and their families.

Further, they should accept, carry out and campaign for the policies decided by our annual delegate conference (our supreme policy-making body). That is what democracy means.

FRANK ALLAN  
Manchester

**Past illusions**

Sir: Congratulations to Andrew Marr on a very perceptive review of Tony Blair's new Labour

("Tony Blair's Victorian values", 23 April).

The traditional divide of left and right, a legacy of the French Revolution that has remained with us for over 200 years, is now largely a thing of the past. Today the debate is about who can best manage British capitalism. If nothing else, at least the Labour leader has been refreshingly honest in his pitch to the captains of industry that he can run the economy better than the present government.

New Labour seem much better placed to drive through the austerity measures and attacks on the working class necessary to revive a very sick economy. No doubt these measures will be presented in the language of "rights and responsibilities", being touted at present.

It is striking how both the Tories and the left are united in the illusion that the patterns of the past will recur. The Tories try to strike fear into the hearts of middle England, warning that old Labour lurks behind Blair's façade and that the trade unions on the left will come out of hiding after the next general election. For its part the left desperately clings to the hope that somehow a Labour victory will reinstate people's socialist aspirations and herald a new period of political radicalism. Both are badly mistaken.

What is required is the beginnings of a real debate to clarify the meaning of anti-capitalist politics in the new millennium. One thing hasn't changed: capitalism still doesn't work.

KEVIN KELLEY  
London N19

**Blair's moralism**

Sir: Polly Toynbee in her analysis of Tony Blair (23 April) suggests that his moralism is "decayed Victorian". What is Victorian about believing in a welfare state, as he clearly does, but none the less coupled with a belief in personal responsibility?

There are at least two good reasons to believe that the tax issue will be neutralised at the next election. First, unlike 1992, there will be no silly Shadow Budget before the election and hence no concrete proposals for the Tories to attack. Second, Conservative Party propaganda



New Labour: what does it stand for?

The vast majority of this country still believe in both. Polly Toynbee's article concludes that Tony Blair speaks not only to the electors but to God. Perhaps her analysis is flawed by her failure to take advantage of that second line of communication.

MICHAEL FOSTER  
St Leonard's-on-Sea, East Sussex

The writer is prospective Labour parliamentary candidate for Hastings and Rye

**Talk of taxes**

Sir: I well remember an article by Gavin Davies published in the Independent a couple of months before the last election. Somewhat against the tide of newspaper opinion, he provided a list of solid reasons to back the sensible intuition that victory for the Conservative Party was still by far the most probable outcome.

In his article on 22 April he provided even stronger reasons to believe that the next election is Labour's for the taking. However, he noted that loose talk on tax might still produce a shock defeat. Is this likely?

There are at least two good reasons to believe that the tax issue will be neutralised at the next election. First, unlike 1992, there will be no silly Shadow Budget before the election and hence no concrete proposals for the Tories to attack. Second, Conservative Party propaganda

on tax has lost credibility following the 1993 tax-raising Budget. In particular voters seem more sensitive to the shift that has occurred away from direct to indirect taxation - an awareness aided by the furore over VAT on fuel.

Of course ill-disciplined public remarks would be unwise. But with such a tangible electoral advantage for Labour, surely Gavin Davies overplays the risks.

JAMES KNIGHT  
St John's College Oxford

**Celebrate diversity**

Sir: I would make two points on new Labour and equality ("Left behind", 25 April).

Labour believes in equality of opportunity, evidenced by our plans to prioritise training and education, to protect employment rights, to tackle homelessness and poverty, and to encourage business and enterprise to invest and think long-term. But Labour has never believed in equality of outcome, where everyone ends up the same. Socialism celebrates diversity, not conformity.

Secondly, the way to improve equality of opportunity is to create growth in the economy, smash the vested interests which hamper individual advancement, and to reward hard work, not redistribute wealth through direct taxes to pay for increased benefits. Unemployment must be tackled at its source: through investment in skills and new technology, not ameliorated by an ever-expanding welfare bill. Increased government spending on welfare payments is a sign of economic failure, not a token of success.

PAUL RICHARDS  
London W6

The writer is prospective Labour parliamentary candidate for Billericay

**Policy makers**

Sir: The article by John Rentoul ("Brown talks tough on tax", 24 April) perhaps accidentally

underlines the foolishness of most contemporary attitudes towards politics and politicians. Far from sympathising with the leaders of the two current largest parties, an average intelligent reader can have nothing but scorn for the assumptions made.

Firstly, who makes policy? A political party is not, contrary to increasing assumptions, a business with a managing director. It is an organisation of fairly like minded people combining in association to promote their ideas: it is not a tribe, to gather behind a "leader" and obey on a "keep quiet or be banished" basis.

This happened during the 1980s to the Tory party under the leadership of Margaret Thatcher to the private dismay of several Conservative associates of mine. Now identically, Labour friends are being forced to be quiet and prevented at a local and national level from raising genuine questions of great importance.

Of course Clare Short is right to raise the question of taxes for the higher paid. Of course, equally, so is Kenneth Clarke right to make the question of Europe central to our country's future.

Why do we allow our appointed representatives to be subjected to the absurd control of the whips. If we the voters are not allowed to have our chosen representatives dare to discuss the things such as taxation, education, the health service, the Common Market - of great importance to us - what value is there in Parliament?

It is highly unlikely that some 250 MPs are going to think in an identical way. The diversity should be gloried in - as enriching the national stock of political ideas. Policy needs to be decided by the will of the majority - not by "think tanks" or "kitchen cabinets".

Mrs Thatcher destroyed many good Conservative thinkers in the 1980s, as well as much of the real economic and social life of the country. Why should we, the public, stand by and see either Tony Blair or John Major do likewise in the 1990s?

DAVID PALMER  
Portsmouth

## Just me, myself and them, as it were

The success of *Edward on Edward*, the TV programme that Prince Edward has just made about his great-uncle, the Duke of Windsor, has inspired many more along the same lines, all due to appear in the near future, and I am pleased now to bring you details of just a few of them.



MILES KINGSTON

**Charles on Charles**  
A TV spectacular in which Prince Charles, the Prince of Wales, looks at his predecessor Charles II and doesn't much like what he sees. "Oh dear, oh dear, oh dear, oh dear," runs part of his commentary. "It's very easy to sit in France for a few years, as Charles did, and criticise everything that is going on in England, rather as my great-uncle the Duke of Windsor did, but it is really very helpful? I think not. I think it might have been more dignified if Charles had just kept quiet in exile."

Of course, Charles II was also accused of collaborating with the enemy, Louis XVI, just as Edward was accused of being a toady to Hitler, but it's very easy to sit here in England and criticise everything that's going on abroad. Oh dear, oh dear, oh dear.... No wonder he had his head cut off. Not only is Charles on Charles said to be heavy going, but he may have been mixing up his Charleses.

**Anne on Anne**  
An unusual documentary in which Princess Anne looks at Queen Anne's little-known involvement with children, wildlife preservation and show-jumping.

**Malcolm on Malcolm**  
Malcolm Rifkind takes a fresh look at King Duncan's son, Malcolm, who was forced to flee Scotland when Macbeth murdered his father and seek aid from the English. "I think one can sympathise with Malcolm," says Rifkind.

"There he was, in a foreign capital, trying to get the best possible deal for his own country with very little bargaining power, and with a Scottish accent which must have sounded very tired and strangled after years spent abroad."

"Well, I can sympathise with that, anyway."

**Arthur on Arthur**  
"What a geezer!" says Arthur Smith in this sensitive portrait of King Arthur. "Always losing his sword and having to nick one! Sometimes he'd claim he'd taken it out of a stone, sometimes he'd say a hand clad in white came out of a lake waving it.... Well, all I can say is that if I came up in court today accused of nicking a sword and I said 'I'd got it from a hand in a lake, I'd be sent for further psychological study, and quite right, too, I say....'"

**Diana on Diana**  
For several hours, we are told in the Bible, the inhabitants of Ephesus ran about crying "Great is Diana of the Ephesians!", and nobody could stop their idolatry. Princess Diana wonders what kind of an effect this must have had on Diana, what a body blow this must have dealt to a sensitive, shy young goddess, and she spends a lot of time telling us. Martin Bashir plays a walk-on part as a scribe, while Duke Husey is seen in the background at one point as a Christian protesting against all the licence-payers' money being spent on a mere goddess, but he is swept away to a horrible death.

**Victoria on Victoria**  
A praiseworthy attempt by Victoria Wood to break out of her northern

frame of reference and treat a wider, historical subject. When Julie Walters as Queen Victoria says to Gladstone, "Here, Bill, if the sun never sets on the British Empire, how the bloody hell does anyone ever get to sleep?", you know it is going to be a portrayal of the Great Queen not like any other. The scene where Victoria breaks out of her years of mourning for Albert by popping down the local Tesco at opening time in disguise to get a bottle of Wincarnis is very touching, though Robbie Coltrane as John Brown is perhaps a touch too icherous for a Baffa award.

**Stephen on Stephen**  
Stephen Fry's portrait of King Stephen, last Norman king of England, will be too subtle for those of us who know nothing about King Stephen. Did they really have lots of country house parties in 13th-century England attended by Queen Matilda (Emma Thompson), Prince Henry (Kenneth Branagh), and lots of hangers-on (Tony Slattery)? Well, maybe so.

**Jean-Paul on Jean-Paul**  
"Mon dieu, e'ad no idea 'ow to dress. Simone de Beauvoir 'ad a lot to answer for...." These are the opening words of Gaultier on Sartre. It goes on like that for a long time.

### Crucial role of good parents

Sir: Your leading article "Defeating the class enemy" (24 April) makes a number of useful observations. There is, however, one crucial omission that will bring despair to many teachers - there is no reference to the crucial role that parents play in the behaviour of disruptive children.

This is not to say that Richard Widling's parents bear any responsibility for his behaviour; that is not something you nor I are qualified to comment upon. However it is unfortunately true that in the majority of instances where a child is expelled from a school, parenting or, more exactly, lack of parenting has played a crucial role.

NIGEL EVANS  
London W4

**Fatherly status**

Sir: I can empathise with G M Jones's letter (24 April) and his views on society's unfair attitudes to the relative worth of mothers and fathers. But losing the immediate and continuous presence of a child neither relieves the father of his responsibilities nor, thankfully, of the benefits and pleasures associated with his status.

TOM RUSSELL  
Sleaford, Lincolnshire

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

### Favourite sons

Sir: In response to the raging debate (Letters, 24 April) about Walthamstow's most illustrious offspring, neither William Morris nor William Penn is in the running. Anyone on Walthamstow High Street could tell you that Walthamstow's most famous sons are the pop band East 17.

JILL PHYTHIAN  
SHELLEY SHENKER  
Walthamstow, London E17

### Trapped in the Granby Triangle

Sir: Your article ("Gunfire across the Mersey", 23 April) claiming violence comes only from a minority did little to console those of us trapped within the Granby Triangle. It only takes one bullet to kill, and that "minority" is large, and growing.

The juveniles, youths and young adults not only will inherit this mantle but cannot wait to do so. Recently we aborted several attacks on pensioners by 10-year-olds wielding baseball bats. They are only a couple of years away from shooting a gun. And as for "future" acceptance of violence, the apathy here could kill as surely as a bullet. I'm told "it is no different anywhere". If I thought this were true I wouldn't wait for the gunmen; I'd do it myself.

JULIE CARTER  
Liverpool

### Patriot abroad

Sir: I would have greater regard for Sir James Goldsmith's protestations of concern for this country's interest if he showed more inclination to live here. As Andrew Marr says (23 April) a "reviled outsider" - but in more ways than one.

D L ALLEN  
Stroud, Gloucestershire



# Champions of marriage should back me

Following this week's Commons defeat, the architect of the Divorce Bill replies to his critics

With headlines such as "Divorce bill defeated by rebel Tories" dominating yesterday's newspapers, readers could have been forgiven for thinking that the Family Law Bill had suffered a truly catastrophic setback.

When the dust has settled, the truth will, I hope, become clear. The effect of the amendment, passed on a free vote, is that the period of reflection and consideration required in the Bill before a divorce is granted will be extended by six months where one of the couple applies to the court for further time to reflect, or where there are children of the marriage under the age of 16.

I have always said that the length of the period for reflection is a matter of fine judgement which raised issues of conscience and would be subject to a free vote. The particular length of time was never central to the reforms. The principle is that there should be a period of reflection and consideration. That still remains at the core of the Bill. The really important decision that has been made by Parliament is that

this principle, of a period of reflection, should replace the current system, which I believe does nothing to save marriages.

At present, people are required to allege fault, whether adultery or unreasonable behaviour, to obtain a quick divorce. The median time for a divorce is currently seven months, but it can be granted in as little as three months.

These allegations of fault may be

**Couples will be given full information about what divorce involves**

true, but because divorces are not often contested, they are rarely examined in detail. So the main role of these allegations in the divorce process is to provide couples with a speedy exit from the marriage, often before they have made adequate future living

arrangements, or often even fully considered whether a divorce is what the two of them really want.

Whatever the rights and wrongs in the marriage might be, nobody has ever advanced the argument that a divorce based on one spouse alleging fault about the other has ever done anything to rescue the marriage. The real effect of such a system is to increase acrimony and bitterness for all concerned, and that includes the children. The additional effect is to enable a person who has been guilty of adultery to remarry much more quickly than a person whose behaviour has been entirely faultless.



LORD MACKAY

The system proposed in the Family Law Bill gives couples the opportunity to pull back from a process that has fault and recrimination at its core. It encourages them to look to the future, and to think hard about what the real implications of a divorce would be for themselves and their children.

For the first time, couples that are considering divorce will be given full information about what divorce

**Legislators have to make the best of an imperfect world**

involves. They will be encouraged to resolve their problems face to face through mediation rather than through the often acrimonious exchange of letters between their respective solicitors. And, if the mediator feels there is a prospect that a marriage can be saved,

mediation will cease and the couple will be referred to a marriage counsellor, who may even be able to help them rescue their relationship.

If the marriage cannot be saved, then I believe that the Bill's framework will make it far more likely that the couple can make future living arrangements in a way that will enable any children involved to retain the best possible relationship with both parents after divorce.

I would greatly prefer it if all marriages were happy, and that divorce never happened. However, I do not have a magic wand. As legislators, we have a duty to make the best of what is often an imperfect world, and to introduce laws that are framed for people as they are, rather than as we would like them to be. That is why I believe that the Family Law Bill represents a real opportunity to improve the divorce laws, and as such, deserves the support of all those who claim to champion marriage and family life.

The writer is Lord Chancellor

# We're on a road to nowhere

Politicians should be educating the public about the consequences of the growth in traffic, says John Adams

Great news! Things may get a little more slowly. That is the limited ambition of yesterday's Transport Green Paper, a policy document that promised so much but has delivered little.

The disappointment that many will feel is in direct proportion to the time and consideration that has gone into finding solutions for the massive anticipated rise in road traffic in the next few years. The Government has spent a year and a half pondering ideas put forward by the Royal Commission on Environmental Pollution (which had itself spent a similar period studying the issue). Brian Mawhinney has had his "Great Debate". Yet, what, at the end of all this, did the Government produce yesterday? Weasel words, plans to consult further and a fudge on all the key issues.

A glance at the Green Paper's most significant conclusions demonstrates how ministers have missed an opportunity. The proposals are indeed modest: better co-ordination of trunk-road planning and regional land-use planning; more powers for councils to manage traffic; promotion of bus use; new strategies for walking and cycling; talks between industry and the CBI to reduce transport intensity.

Yet, far and away the most important issue - car traffic - is inadequately tackled. This growth is making congestion and pollution worse, undermining public transport, promoting land-use sprawl, and making life more dangerous.

No one is better qualified for this task than the Secretary of State for Transport. In 1973, Sir George Young set out his concerns about the growth of tourism in a book, *Tourism: Blessing or Blight?* He recognised that the tourist industry could not grow indefinitely; there would come a point when its costs would outweigh its benefits. He engaged in exactly the sort of educational exercise that is needed even more urgently now.

He argued: "Those who seek to curb the growth of tourism for the long-term benefit of society... will stand accused of curbing man's freedom to travel. Such a criticism is short-sighted as it ignores the damage that unrestrained tourist development can cause and assumes that no price for freedom of movement can be too high."

Just add car traffic to tourism and you would have a credible transport policy statement.

The writer is a reader in geography at University College London.

ownership would be to commit political suicide. They are probably right. Most voters, if asked whether they would like a car, answer "yes". The Government's Environment White Paper of 1991 "welcomes the continuing widening of car ownership as an important aspect of personal freedom and choice". This welcome has not been retracted. Environmentally aware Labour supporters should not smirk. The Labour Party, in its environmental policy, "In Trust for Tomorrow", says: "We would like to see more people owning cars."

So what would a political party that aspired to get enough votes to form a government do?

**'Would you like to live in a dirty fume-filled greenhouse?'**

It should ask a different question. "Would you like to live in a dirty, dangerous, congested, bleak, socially polarised, fume-filled greenhouse?" Politicians have a duty to explain to the voters what they are voting for. No more research is needed. The consequences of allowing the Government's "best assessment" about traffic levels in 2025 to come true are already known in sufficient detail. What is needed is more education of the public about the realities.

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# Nursery crimes? Not guilty

Working mothers should not feel ashamed - quality day care can benefit children, argues Fran Abrams

If some people are to be believed, some of Britain's best-educated, most highly motivated parents are irrevocably damaging their children by sending them to school before they are out of nappies. This week, Paddy Holmes, an independent school head-teacher, warned that youngsters were being treated "like young animals, staying with their mothers only as long as they are biologically dependent". The emotional development of these children could be stunted by isolation from their mothers at so young an age, she argued.

Coming at a time when the number of under-fives in education and day care is rising, this might seem more than a little surprising. The proportion

**In a US study, nursery children were five times less likely to become delinquent**

of two-year-olds in prep schools went up by 27 per cent last year and the Government has promised education for all four year-olds. Almost 50 per cent of women with children under five now have jobs compared with just 35 per cent in 1987.

It is not surprising, then, that Mrs Holmes' comments caused something of a furore, sparking deep anger among parents - no one wants to hear that they are not bringing up their children properly - and heated comment from traditionalists who would like to see more women in the home. But if her warning is well-founded, there are grave implications for the future well-being of many thousands of children.

Mrs Holmes backed her case by quoting the classic theory of emotional attachments developed more than 40 years ago by Dr John Bowlby, confirming children's deep-seated need to bond with their mothers. However, she did not add that Bowlby later revised his theory to include any stable relationship with an adult. Nor did she mention that subsequent research confirmed children's ability to form more than one such attachment - with



Happy days: but critics say very young children should not be sent to nurseries

Joan Russell/Guzelian

a carer and with parents, for example.

The debate on whether working mothers are harming their children may continue in the press but in the academic world there is little disagreement. A comprehensive review of the evidence published recently in the *Journal of Child Psychology and Psychiatry* concluded that two year-olds are unlikely to suffer harm from day care. That said, some studies suggested that children of less than a year who spent more than 20 hours a week in day care might not develop as fast. But even these suggestions remained unproven, the review said.

In fact, it concluded, there could be

positive advantages to taking children out of the home, particularly for those from deprived backgrounds who may suffer from cramped conditions and a lack of stimulation. A US study showed that after a good nursery education, young people were five times less likely to become delinquent and three times more likely to own their own homes when they grew up.

The key word here is "quality". The experts say that very young children need a high staffing ratio, a quiet environment and plenty of space so that they are not crowded. It is also vital that they build lasting relationships, and the best nurseries have a "key

worker" system so that each child knows who to turn to in moments of insecurity.

There is a question mark over the quality of care young children are now receiving. The National Children's Bureau has just launched a three-year research project aimed at developing good training for nursery staff. Its authors say child care often fails to reach a sufficiently high standard, with many nurseries having a high staff turnover. It is difficult for children to form the close ties they need with either adults or children, they say, because they may see different people each time they attend.

# Let's keep our eyes on the Swedes

Europe's biggest welfare state is in trouble. How it copes could hold lessons for the rest of us

It is early spring in Stockholm. The economy is growing and the city seems as clean, shining and prosperous as ever - yet people are concerned. Some, like the journalists, are so concerned that they are out on strike, but all Swedish wage-earners are finding that their living standards are being squeezed by higher taxation and a shading back of the resources available for public services.

The Swedish model of the welfare state is in trouble, and how the decent, left-of-centre Social Democrats now in power cope with this problem may carry a message for the rest of Europe. For while the pressures on the Swedish welfare system are the pressures on other European welfare systems writ large, so too is the ability of Sweden, with its excellent education and its social cohesion, to cope with these pressures.

The size of the Swedish state sector relative to the rest of the economy is almost as large as that of Britain's in the middle of the Second World War. One-third of all workers are employed by the state; about 60 per cent of GDP passes through the state system. Most of the additional employment created by the state has been for women, and a high proportion of women work even by Scandinavian standards.

But the Swedish birth rate is also the highest in Europe. In fact Sweden is the only European country where the birth rate is above replacement rate. A high proportion of women working and high birth rates are

made possible by the lavish state-subsidised child-care system. The state pays about 90 per cent of the cost of day-care. So women work, earning money to pay the taxes that then fund the wages of other women who look after their children. The household sector of the economy, the things which in other countries are done informally in families, has been made into an economic transaction. One Swedish economist, Assar Lindbeck, said that Sweden had "nationalised the family".

But if Swedish people want to do this, why shouldn't they? If they are prepared to pay the taxes, then that

**One economist said Sweden had nationalised the family**

would seem to be their choice and they should carry on.

The pal answer is that, whatever people say to researchers, when it comes to voting, they vote for lower taxes. But that is not really true in Sweden. Taxes are certainly very high - VAT at 25 per cent; petrol 80 pence a litre; top income-tax rates, with local taxes, about 58 per cent. But my strong impression here is that, while people in the business community complain, there is general political support for the high-tax/high-spend system. People feel they get value for



HAMISH McRAE

their tax money. And top tax rates have come down, so that they are now lower than in neighbouring Denmark.

True, there is a tax shortfall at present. The Swedish budget deficit is now 7.5 per cent of GDP, and the plan to get this down to the 3 per cent Maastricht limit by 1997 looks shaky. The draft budget for next year was published last week and was the familiar mix of tax increases and trims and tucks to spending. Living standards will continue to be squeezed, people will try to offset that by demanding higher wages, and some of those who are disappointed will respond by going on strike. But the problem seems to me to be less one of taxation or political will, but rather one of the distortions to the economy that the tax/spend regime causes.

One distortion from the tax system is that it discourages the formation of new companies, another that it discourages increased employment by established ones. With the exception of Ikea and Tetra Pak, all the famous names of Swedish industry are old. Volvo, Ericsson, Scania were all built up before the rapid growth of the state

sector, which really gathered pace in the 1960s. The big companies are wonderful, but they will not create much new employment. Indeed, the Swedish private sector employs no more people now than it did in 1960. Unemployment, if you add in government make-work schemes, is over 12 per cent. This is naturally deeply alarming to the young, well-educated people coming on to the job market for the first time.

So what will happen? Ask the sophisticated people in the financial services sector and they say that the economic need for change is clear, but the perception of that need for change has yet to sink in. So the country faces

**There is general support for a high-tax/high-spend system**

some more years of disappointment. It will be trimming, chipping and taxing. That is a gloomy prospect because the underlying financial equation will become more adverse. As the population of Sweden, like that of the whole of Europe, ages, further resources will have to be switched into care for the old. Quite unfairly, the value for money offered by the state will appear to diminish, not because of any fall in efficiency, but simply because there will be fewer people paying money in, and more people taking it out.

Viewed from outside, though, I felt

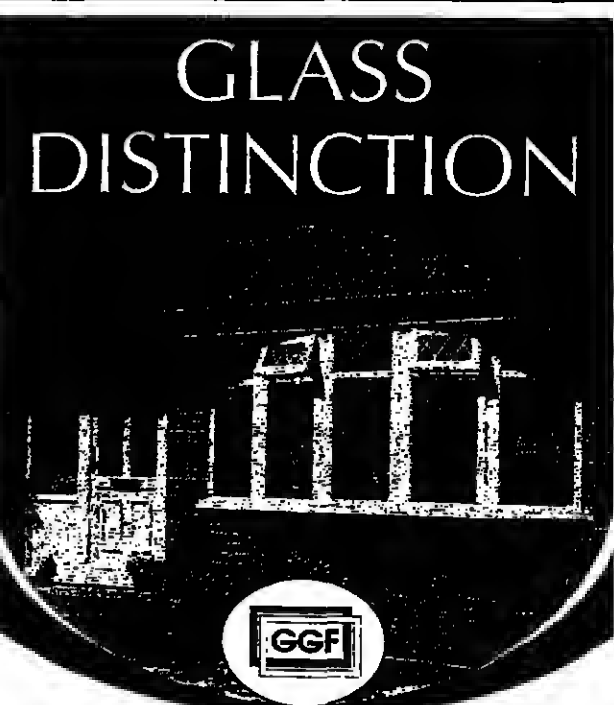
there were more encouraging signs. Here are five. One is the new Prime Minister, Goran Persson, who not only understands the problems of public finances but also understands the need to tell voters a story: to explain and to teach.

Another is that these voters are wonderfully educated right across the population. If things are properly explained, there is a thoughtful and cohesive audience.

A third is a growing appreciation of the need for personal savings. Swedish savings are very low at every level. A banker friend, who has just co-authored a book on the significance of global savings in the world economy, found, when it was launched this week, that many of the questions were about personal savings in Sweden. People are saying that as they cannot be sure they will be able to rely on the state in 25 years, they should start to make some provision now.

Next, Sweden has excellent banks and insurance companies that will be eager to develop ways of supplementing the state welfare system if that is what the customers want. The financial infrastructure is there.

And finally Sweden is, after the US and the UK, the most successful exporter of pop music in the world. This shows not only that the spirit of entrepreneurship is alive and well, despite the barriers put in the way of the growth of small businesses; it also shows that Sweden can develop new service sector exports, and in one of the fastest-growing fields of world trade.



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# obituaries / gazette

## Robert Hersant

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Though not as well known in the UK as Rupert Murdoch, Robert Maxwell or Silvio Berlusconi, in his native France Robert Hersant was the media mogul *par excellence*. "I'm neither Citizen Kane nor Randolph Hearst. I own no mines, no factories, no oil companies. I am only a press baron," he said.

Yet, from humble beginnings as the creator of *Auto-Journal*, he built the Hersant Press Group, which controlled many of France's leading national (*Le Figaro*, *France Soir*) and regional dailies (*Le Courrier de l'Ouest*, *Le Progrès-Lyon-Matin*), giving him an undemocratic 30 per cent share of the market there. He also showed an amazing resilience and ability to reinvent himself in a political career which saw him flirting with the extreme right in the Second World War and later backing François Mitterrand's early presidential bid (in 1965) before rejoining the right-of-centre UDF and becoming a member of the European Parliament.

Born in Vertou (Loire-Atlantique) in 1920, this son of a Breton captain did not answer the call of the sea. At the age of 13, he was already designing mock lay-outs for newspapers. He studied in Le Havre and Rouen where he met the influential right-winger Jean Lecanuet, who was the town's mayor. At the age of 16, Hersant became secretary-general of the socialist youth of the Normandy area. He then fell in with the Front Populaire and, during the Nazi occupation, gravitated towards the Vichy regime, launching *Jeune Front*, an anti-Jewish and anti-freemasonry organisation.

From the Dreyfus affair to Pétain's collaborators and Le Pen's recent outbursts, there has always been a pernicious anti-Semitism in some corners of French society and the young Robert certainly added to it at the time, settling up *Jeunes Forces*, a publication singing the praises of Marshal Pétain, and writing in *Pilori*, a weekly magazine supposedly "fighting freemasonry".

When the Liberation came, Hersant was himself pilloried and condemned to 10 years of national indignity, a sanction reserved for French people who had collaborated with the enemy. Following an amnesty four years later, Hersant could enter public life again.

While compiling a car annual, he spotted a gap in the French magazine market and in 1949 he launched *Auto-Journal*, which targeted car-owners enjoying their first taste of the open road. The publication was an unqualified success (its circulation increased tenfold to 300,000 in the space of three years) and set him on the road to greater riches. In 1952, Hersant started the daily *Oise-Matin*, which gave him a platform to get back into politics.

The following year, he became mayor of Ravenel and, in 1956, he stood for parliament in the Oise department: under the wing of President Pierre Mendès-France and François Mitterrand's UDSR (Union Démocratique et Socialiste de la Résistance), he was duly elected. For different reasons, both Hersant (an advocate of the free market) and Mitterrand shared a dislike of General de Gaulle's dirigiste tendencies and in 1965, Hersant provided financial backing for Mitterrand's first bid for the French presidency. Though unsuccessful, this cheeky attempt forced de Gaulle to fight a second round and established Mitterrand as a politician of national stature, and, after two more setbacks, he eventually entered the Elysée in 1981.

By then Hersant, who had once been quite happy to take advantage of the Communist vote to get re-elected under the aegis of Mitterrand's FGDS (Fédération de la Gauche Démocratique et Socialiste), had moved across to Valéry Giscard d'Estaing's UDF (Union Démocratique Française), on the right of centre.

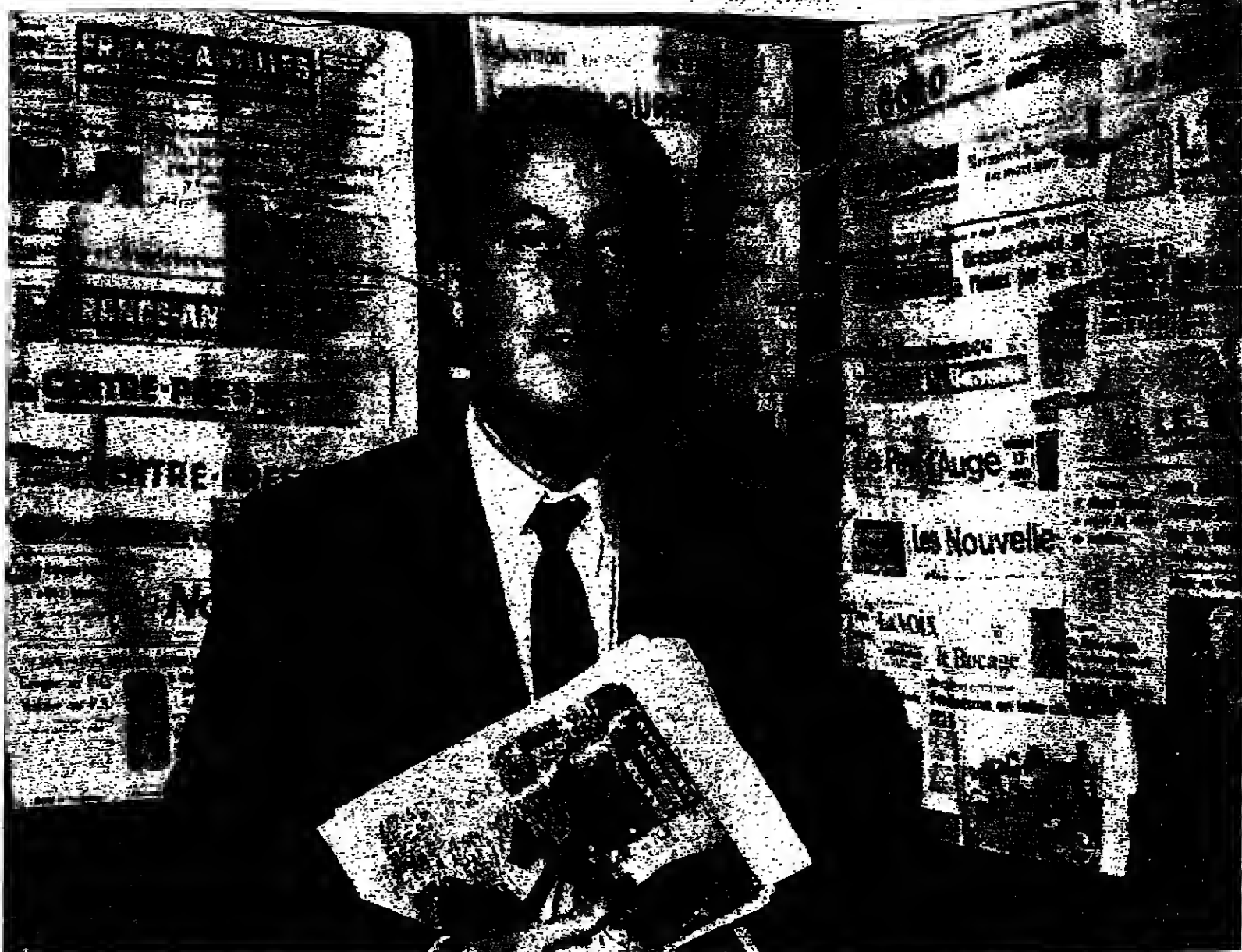
He was out of favour with the Oise electorate between 1978 and 1986 but was back at the National Assembly for two

years after that. In 1984, he became a Member of the European Parliament, achieving the dubious honour of one of the most dismal attendance records in Strasbourg (a survey showed he had turned up just 10 times in 284 days, and unkind critics muttered at his need for parliamentary immunity).

However, this rather sketchy political career, worthy of a Vidkun Quisling, was eclipsed by Hersant's many business achievements. In 1955, following the launch of *Oise-Matin*, Hersant started *L'Équipement Ménager* and *Le Quincailler* and capitalised on France's consumer boom of the late Fifties. He then set up the Pulprint press agency and, in 1958, he began acquiring French newspapers left, right and centre. This soon earned him the nickname of "Papièvre" (a pun on *carnivore* and *papier*, meaning paper-eater) as he ruthlessly cut jobs, at one time merging four regional titles to create *Centre-Press*. Over the next 35 years, the Hersant strategy paid off as his Socpresse and Groupe France-Antilles companies bought *Paris-Normandie*, *Le Dauphiné Libéré*, *Le Courrier de l'Ouest*, *Le Progrès-Lyon-Matin* and *Les Dernières Nouvelles d'Alsace*.

The French are not keen newspaper readers (the biggest sellers barely reach the 500,000 mark), but the regional press is far more important in France than in the UK. However, Hersant's increasing grip on the market soon obliterated any semblance of diversity and was never properly brought to book under France's press monopoly laws, even though the combined readership of all his titles nudged 3 million.

This might have had something to do with the press baron's purchase in 1975 of *Le Figaro*, a Paris (and thus national and influential) paper which had moved a long way right from its satirical origins and was badly in need of new blood and an injection of cash. Always one for cost-cutting, Hersant moved the paper further to the right and away from



Hersant from 1958 he began acquiring French newspapers left, right and centre, earning the nickname 'Papièvre', a pun on *carnivore* and *papier*

Photograph: AFP

its expensive Champs-Élysées premises. He also set up regional presses to improve distribution and take on the regional competition head-on. Over the years, and taking a leaf out of the British press, he added sections and supplements like *Figaro Magazine*, *Madame Figaro*, *Le Figaro Économie*, *Le Figaro Littéraire*, *FigaroScope*, *TV Magazine* and, just recently, *Le Figaro Multimédia*. In 1976, Hersant tightened his hold over the Paris market with the purchase of *L'Aurore* and *France-Soir*, which became a *Sun*-like counterpart to his *Figaro Times*. With its

screaming headlines and sensationalistic pictures, this popular paper always rode the British tabloids' *Frog-baiting*. There were ill-fated moves into radio and television, especially an attempt with Silvio Berlusconi to establish a fifth French terrestrial television channel, *La Cinq*. The two men never saw eye to eye and their venture only lasted from 1987 to 1990 and was an unqualified fiasco (game shows galore) which wouldn't have passed a British-style quality threshold.

The early Nineties saw Hersant concentrate on his press empire and take full advantage of new printing and computing technology. He looked abroad, acquiring a stake in the Brussels daily *Le Soir* and also investing in Poland (*Rzeczpospolita*, the "Republic", the first Polish daily), the Czech Republic and Hungary.

However, Hersant's reliance on bank loans to finance his takeovers left his group exposed (with reported debts of 6 billion francs) and, when the circulation of some of his papers started to dwindle, he had to sell 10 of his more profitable magazines (including his beloved *Auto-Journal*) to the conglomerate Emap. His

empire is now likely to be broken up.

A keen admirer of Lord Beaverbrook, Robert Hersant was a pragmatist and claimed he was just giving readers what they wanted. He didn't interfere in the daily running of *Le Figaro* and *France-Soir*, which learnt to write his own memoirs in five volumes starting with the last one about the events of 1975. As soon as it appeared in print, it was banned and Tra himself was banished to the countryside to look after a pig farm.

But his former comrades in arms did not forget him. In 1987 when Vietnam embarked on an open-door economic policy, ironically enough led by southerners who resented Hanoi's previous iron-fist tactics, many veteran members of the Viet Cong met together to form the Club of the Former Resistance Fighters with General Tra as one of its leaders. This apparently autonomous southern movement soon alarmed the leadership in Hanoi which moved quickly to ban it and create discussion between General Tra and his friends. This is now the subject of much of the samizdat literature now being circulated in Vietnam and abroad on the Internet by aggrieved southerners who still resent Hanoi's heavy hand and the treatment meted out to General Tra.

Indeed, by those who knew him he is likely to be remembered not only as a brilliant and brave general, but also an educated and well-read man who got on well with the troops under his command and appreciated that the Vietnamese are undoubtedly one nation but that the North differs from the South in many respects.

Pierre Perrone

Robert Joseph Emile Hersant, publisher and politician; born Vertou, France 31 January 1920; married (eight children); died Saint-Clément 21 April 1996.

## General Tran Van Tra



General Tran Van Tra in 1973: one of the most experienced battlefield commanders Vietnam has ever known

Photograph: AP

The north/south divide in Vietnam was supposed to have ended in 1976 when the country was officially reunited a year after the Communist victory in Saigon. But to many southerners, it seemed and still seems as if they were conquered by the dogmatists in Hanoi and their northern brethren who proceeded to impose their dominance over every aspect of life in the South. This feeling of resentment is not restricted to those who opposed the Communist take-over. It is shared by many southerners who actively fought against what they used to call the American puppet regime in Saigon. Amongst them, one of the most prominent figureheads was General Tran Van Tra, who died last weekend in Ho Chi Minh City, or rather Saigon, the place he always regarded as home. And it is there and throughout southern Vietnam that his death is likely to be most deeply mourned.

Without a doubt, General Tra was one of the most experienced battlefield commanders Vietnam has known, having started his career by opposing the French on their return to Indo-China in 1945 and then continuing on to fight the American and South Vietnamese forces until the conquest of Saigon in April 1975. Yet although immediately after this victory he was appointed head of the Military Management Committee of Ho Chi Minh City, Tra was never accorded the full honours many of his troops thought he deserved. He had clashed too often with the policy-makers in Hanoi and the men they sent south to guide the course of the war.

True Tra was a Communist. He joined the party in 1938 and

was twice arrested by the French colonial authorities for his political activities as a student in Saigon before and during the Second World War. As such he was typical of the generation which grew up in southern Vietnam or Cochinchina as it was then known during the 1920s and 1930s. Educated at French-administered schools, they learnt about liberty, fraternity and equality, but could only dream of such ideals being applied in Vietnam. It was only natural therefore for Tra to join the Viet Minh resistance movement as soon as it emerged in 1945, when he was soon appointed a local commander in the area surrounding Saigon.

During the next nine years of hit-and-run guerrilla skirmishes against the French, he inevitably acquired a great deal of knowledge of the terrain and the most suitable tactics to use there and throughout the south before the Geneva Agreements in 1954 ended the first phase of the Vietnam War and resulted in the partition of the country. It was then that General Tra first went north where, because of his rank and reputation, he was appointed one of the Deputy Chiefs of Staff of the Armed Forces. However it was a desk job in which he was subordinate to several northern generals who owed their positions more to their proletarian origins than their prowess on the battlefield.

Only when the war recommenced in the South in the early 1960s was Tra able to escape Hanoi and return to the territory where he felt at home. Even then, although he was responsible for rallying and training local forces in the South, which became known as the Viet Cong, he was not given overall

command. It was generals and political commissars from the North who decided policy and dictated how the war should be fought on the ground. Thus the decision to launch the Tet Offensive in 1968 against the major cities and towns in South Vietnam as well as the American embassy in Saigon, was made in Hanoi without General Tra being present, but it was his forces which took most of the casualties when it largely failed in its objectives.

He was determined therefore that no similar mistakes should be made when planning got underway for another major offensive in 1975. Defying orders from Hanoi, he made his way north to explain the situation on the ground to the Politburo and Chiefs of Staff whom he considered to be very ignorant of the realities of the struggle in the South. As a result, he did manage to bring about some changes in Hanoi's strategic planning, but ultimately it was the northern generals who claimed credit for the victory in Saigon where their troops triumphantly entered Independence Palace to enforce the surrender of the South Vietnamese regime whereas all the groundwork for this achievement had been carried out by local forces led by General Tra.

Even his elevation to become head of the Military Management Committee in the former South Vietnamese capital had a bittersweet taste. He spent only a few months in the post before being transferred once more to a virtual sinecure in Hanoi. After a couple of years there, he could stand it no longer particularly after his main northern bugbear, General Van Tien Dung, published

a boastful account of how he personally had masterminded the final victory in the South. So General Tra returned to Saigon to write his own memoirs in five volumes starting with the last one about the events of 1975. As soon as it appeared in print, it was banned and Tra himself was banished to the countryside to look after a pig farm.

But his former comrades in arms did not forget him. In 1987 when Vietnam embarked on an open-door economic policy, ironically enough led by southerners who resented Hanoi's previous iron-fist tactics, many veteran members of the Viet Cong met together to form the Club of the Former Resistance Fighters with General Tra as one of its leaders. This apparently autonomous southern movement soon alarmed the leadership in Hanoi which moved quickly to ban it and create discussion between General Tra and his friends. This is now the subject of much of the samizdat literature now being circulated in Vietnam and abroad on the Internet by aggrieved southerners who still resent Hanoi's heavy hand and the treatment meted out to General Tra.

Indeed, by those who knew him he is likely to be remembered not only as a brilliant and brave general, but also an educated and well-read man who got on well with the troops under his command and appreciated that the Vietnamese are undoubtedly one nation but that the North differs from the South in many respects.

Judy Stowe

Tran Van Tra, soldier and politician; born Quang Ngai Province, Vietnam 1918; died Ho Chi Minh City 20 April 1996.

### DEATHS

**BOWEN:** Colonel Cecil William MC OSU RAMC, died aged 75 years, in the Shropshire and Mid Wales Hospice, on 19 April 1996. Husband of Rosemary (nee Renshaw) for 49 years. Beloved father of Jane, Sarah and Rupert. Dear Grandpa to Adam and proud "Dad" to Rebecca, Oliver and Rosie. "Non omnis moriar". Family funeral followed by cremation. No flowers. He desired donations to Army Benevolent Fund, or Shropshire and Mid Wales Hospice. Funeral Director: A.S. Morris and Son, Church Street.

### MEMORIAL SERVICES

**FRASER:** A memorial service for Dr Carveth Fraser will be held on Saturday 25 May 1996 at 3pm, in St. Nicholas Church, Oxford.

### Wills

Edward Langton, second Baron Lifford, of Lower Bosilton, Berkshire, the newspaper proprietor, left estate valued at £12,597,361 net. He left £5,000 to the Company of Fellowship

### Births, Marriages & Deaths

#### IN MEMORIAM

**CHERNOMYL:** 26 April 1986. To past and future victims of Chernobyl. It doesn't have to happen again. Thank God the future's solar.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5UL, or telephoned to 0171-293 1011, and are charged at 65p a line (VAT extra).

of Cappers and Feltmakers of Coventry and books from Basildon House to the National Trust.

Mr Ivor Sinclair Turnbull, of Elham, Kent, founder in 1971 of *Antiques Trade Gazette*, left estate valued at £1,717,934 net.

### Birthdays

Mr John Battle MR 45; Sir Roger Buckley, High Court judge, 57; Miss Carol Burnett, comedienne, 60; The Marquess of Bute, racing driver, 58; Sir Edward Cazalet, High Court judge, 60; Mr Charlie Chester, comedian, 82; Mr David Coleman, sports commentator, 70; Mr Jack Douglas, actor and comedian, 69; Sir Gordon Downey, former Comptroller and Auditor General, 68; Mr Justin Gosling, Principal, St Edmund Hall, Oxford, 66; Professor Margaret Gowing, scientific historian, 75; Mr Stuart Higgins, editor, the *Sun*, 40; Sir James Hogg, medieval historian, 74; Sir Robin Jacob, High Court judge, 55; Dr Lyne James MR 45; Maj-Gen Harry James, former director-general, London City and Guilds Institute, 75; Dr Anne McLennan, zoologist, 69; Professor Wilfrid Mellers, composer, 82; Sir Oliver Miller, former Surveyor of the Queen's Pictures, 73; Professor Jack Montgomerie, Emeritus Professor of American Literature, Leeds University, 78; Mr Peter Schaufuss, director, Royal Danish Ballet, Copenhagen, 46; Dr Ian Tait MR

46; Mr Derek Waring, actor, 66; Mr Morris West, novelist, 80.

### Anniversaries

**Births:** Leonardo da Vinci, painter, sculptor and architect, 1452; Ferdinand-Victor Eugene Delacroix, painter, 1798; Harold Sidney Harnsworth, first Viscount Rothermere, newspaper publisher, 1888; Ludwig Wittgenstein, philosopher, 1889; Rudolf Hess, Nazi leader, 1894; Jean Vigo, film director, 1905. **Deaths:** Nelson Keys, comedian, 1939; Dame Cicely Courtneidge, actress, 1980; William "Coun" Basic, jazz pianist and bandleader, 1984. On this day: the Duke of York married Elizabeth Bowes-Lyon, 1923; a new building for the Madame Tussaud's waxwork exhibition opened in London, 1928; the Cuban invaded Panama, 1959; an accident at the Soviet nuclear power station at Chernobyl resulted in a massive nuclear leak, 1986. Today is the Feast Day of St Francis of Assisi, St Paschasius Radbertus, St Peter of Braga, St Richardus or Riquier and St Stephen of Perm.

### Lectures

National Gallery: Lynda Stephens, "Innocents Abroad (iii): Lotto, *Sir Jerome in adoration before a Crucifix*", 1pm.

Victoria and Albert Museum: Sarah Seagrath, "Islamic Art Visions of Paradise", 2.30pm.

### Luncheons

**HM Government**

Lord Fraser of Carmyllie QC, Minister of State at the Department of Trade and Industry, was the host at a luncheon held yesterday at Lancaster House, London SW1, in honour of Mr Kingsley Wickremaratne, Minister of Internal and External Trade, Commerce and Fuel for the Democratic Socialist Republic of Sri Lanka.

### Maple Leaf Club

Mr Serge April, retiring Deputy High Commissioner for Canada, was the guest of honour at a luncheon held yesterday by the Maple Leaf Club at the Royal Overseas League, St James's, London SW1. Mrs Judith M. Steiner, Club Chairman, presided.

Mr Paul King, Agent-General for British Columbia, also spoke.

### Receptions

**Foreign and Commonwealth Office**

Mr Malcolm Rifkind QC, MP, Secretary of State for Foreign and Commonwealth Affairs, hosted a reception held yesterday at Lancaster House, London SW1, in aid of the Council of Christians and Jews and the International Council of Christians and Jews. Sir Michael Latham, Mr Rifkind, Dr Jonathan Sacks, Chief Rabbi, and the Right Rev Richard Harries, Bishop of Oxford, were the speakers. Also present were Mr Paul Mendel, Director, CCI, Sir Sigismund Sternberg, Chairman of the Executive, ICCJ, the Rev Kathleen Richardson, Moderator of the Free Church Federal Council and Archbishop Gregorios of Thyateira and Great Britain.

### Dinners

Lord Mayor of Westminster

The Lord Mayor of Westminster, Mr Alan Bradley, and the Lady May-

orress, Mrs Pamela Batty, were the hosts at a dinner held yesterday at City Hall, London SW1, for Past Lord Mayors.

### Edna Lumb Artistic Trust

The annual Edna Lumb Travel Prize for Leeds art students was awarded by the Edna Lumb Artistic Trust at a ceremony held yesterday at Leeds Metropolitan University. Mr David Morgan-Rees presented the prize to the joint winners, Mrs Lorena Scaife and Miss Lucy Pedlar.

### Synagogue services

Details of synagogue services to be held tomorrow may be obtained by telephoning the following. Sabbath begins in London at 8.01pm.

**United Synagogue:** 0171-387 4300. **Federation of Synagogues:** 0181-202 2363. **Union of Liberal and Progressive Synagogues:** 0171-580 1463. **Reform Synagogues of Great Britain:** 0181-439 4731. **Spanish and Portuguese Jews Congregation:** 0171-289 2573. **New London Synagogue (Masorti):** 0171-328 1026.

### ROYAL ENGAGEMENTS

The Duke of Edinburgh dines with the Military Knights of Windsor at Windsor Castle. The Princess Royal, President, British Kilt and Clothing Export Council, visits Anglian International Limited, Warrington, Cheshire, as Patron, the Butler Trust, visits HM Prison and VOT, Wiltshire, Cheshire, as Patron, the Home Farm Trust, visits a new charity shop at Marple, Greater Manchester, as Patron, SENSE - The National Deafblind and Rubella Association, visits a unit for deaf-blind pupils at Royal Schools for the Deaf Manchester, Cheshire, Greater Manchester, and as Patron, Quarry Bank Mill Trust, visits Quarry Bank Mill, Wiltshire, Cheshire. The Duke of Gloucester, Deputy Colonel-in-Chief, Royal Logistic Corps, presents Medals to 27 Regiment Royal Logistic Corps, at Bulford Barracks, Aldershot, Hampshire. Prince Michael of Kent attends a Trustees Meeting at the National Motor Museum, Beaulieu, Hampshire.

### Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am. F Company Scots Guards mounts the Queen's Guard, at Buckingham Palace, 11.30am, band provided by the Scots Guards.

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# business

THE INDEPENDENT • Friday 26 April 1996

Electricity row: Bid fever spreads through the sector as pressure mounts for a full-scale rethink of competition policy

## Lang veto sparks call for merger overhaul

**MICHAEL HARRISON**

Pressure was mounting last night for a full-scale review of the Government's competition policy after it emerged that Ian Lang, the Trade and Industry Secretary, blocked the National Power and PowerGen takeovers without fully consulting other Cabinet ministers and against the advice of colleagues.

Ed Wallis, PowerGen's chairman, wrote to Mr Lang saying he was "dismayed" at the "incomprehensible" decision and warning that it might not now go through with the £450m sale of two power stations to the Hanson-owned power group Eastern.

This would almost certainly prompt a Monopolies and Mergers Commission inquiry into PowerGen and the rest of the electricity generating industry, casting doubt over the planned sale of the nuclear generator British Energy this summer.

PowerGen also confirmed that it was seeking legal opinion on whether to seek a judicial review of Mr Lang's decision to block its takeover of Midlands Electricity after the MMC had given the deal the go-



Underpowered: Graeme Odgers is the only full-time senior figure at the MMC

ahead along with National Power's £2.5bn bid for Southern Electric.

Whitehall sources denied reports that Mr Lang had blocked the takeovers after being angered at National Power's apparent pre-empting of his decision by launching a renewed conditional bid for Southern Electric. They also rejected suggestions that the mergers had been overruled to deter Southern Electric.

It was being stressed that Mr Lang had reached the decision in a quasi-judicial capacity after weighing all the evidence from the MMC report and assessing the impact of the two deals on competition.

But it was also made plain that his deputy, Energy Minister Tim Ebor, had broadly supported the two mergers going ahead while other senior ministers, thought to include the Deputy Prime Minister Michael Heseltine, were not directly consulted.

Whitehall sources described Mr Wallis's letter and the threat of a judicial review as "pram-rattling" by PowerGen. National Power meanwhile made it clear

## US predators circle Southern and Midlands

Fresh bid fever hit the power sector yesterday, with both Southern Electric and Midlands Electricity said to be in the sights of US predators, writes Michael Harrison.

Bryan Townsend, chairman of Midlands, is thought to have received at least one informal approach from an overseas utility in the last 48 hours following the shock decision to block PowerGen's £1.9bn bid for the company.

Among the US utilities being mentioned as possible bidders were Houston Industries, which failed last year in a joint bid for Northern, Mission Energy and Pacificorp.

There were also reports that Southern Company of Atlanta might be lining up for a dawn raid on National Power, although sources close to the American power giant played this down.

Southern, which already owns South Western Electricity and disclosed two weeks ago that it was considering an £8bn offer for National Power, would need US regulatory approval to buy National Power shares. It is not yet thought to have obtained this.

Midlands Electricity shares rose 17p to 385p while Southern Electric was 11p up at 835p.

National Power shares also recovered from heavy falls earlier in the day to stand just 8p lower at 556p while PowerGen was down 15p at 555p.

One observer said: "Ian Lang's decision to block the two

## Istock builds on bricks with Redland deal

**TOM STEVENSON**  
City Editor

Istock is to become Britain's leading brick manufacturer, pushing its biggest rival Hanson into second place, with the £160m acquisition of Redland's UK operations. The deal, which involves a £100m rights issue, yesterday sent Istock's shares 15 per cent higher to 85.5p as the market welcomed a long overdue consolidation of the struggling brick industry.

Ian Maclellan, chief executive, brushed aside concerns that the deal, which takes Istock's market share to 35 per cent, would be referred to the Monopolies and Mergers Commission. The company would not say as much, but it is understood that the Office of Fair Trading will wave the deal through in return for some disposals in areas such as the Midlands where Istock will become a dominant producer.

The possibility of a referral was highlighted by the structure of the two-for-three rights issue being used to part-fund the acquisition. Fitted at 55p, a sizeable discount to Wednesday's close of 74.5p, the issue is dependent on the deal being shown a green light.

Sir Colin Hope, chairman, said: "This is a unique opportunity for Istock to establish its core UK brick business at the forefront of the industry. There will be significant opportunities to reduce overheads and operating costs in the combined business."

He highlighted the sensitivity of the brick industry to capacity utilisation and price increases, saying that a £1

## Woolwich approach to ScotAm rebuffed

**NIC CICUTTI**

Woolwich Building Society made an unsuccessful bid to entice Scottish Amicable, the large mutual insurer, into takeover talks, it emerged yesterday.

The offer came shortly after Woolwich, the UK's third-largest building society, announced plans for its own £3bn stock market flotation in January.

But the proposal was rejected by ScotAm, which said at the time it saw no useful advantage in surrendering its mutuality to a building society.

Woolwich Building Society yesterday denied that it had tabled a formal bid for the Glasgow-based insurer. "There has been no approach made by the

IN THE FRAME	
Mutuals for possible acquisition/flotation	
Life insurer	Funds under management
Scottish Widows	£22.6bn
Scottish Amicable	£14bn
Friends Provident	£15bn
National Provident	£8bn
Institution	£30bn
Norwich Union	£30bn
Scottish Provident	£5bn
Scottish Life	£4.5bn

## ICI faces pressure to drop share buy-back

**MAGNUS GRIMOND**

ICI will today face a call to drop its plans to buy in shares just a day after seeing its share price fall on disappointment that no purchases had accompanied first-quarter results.

Pir, the corporate governance action group, is thought to be trying to rally institutional shareholders in a bid to vote against a resolution allowing ICI to buy up to 10 per cent of its own shares at today's annual general meeting.

But ICI's finance director, Alan Spall, defended the resolution yesterday, saying it was part of the normal action of a finance director trying to enhance shareholder value. He remained unworried by the Pir move. "We already



Sir Ronnie Hampel: Expects fall in profits

ICI saw operating profits slide from £231m to £205m. The main damage was in the core industrial chemicals operation, where both prices and volumes fell.

Most of the impact was in Europe, which contributed to a decrease in the division's turnover from £1.1bn to £1.07bn.

But Mr Spall said the outlook was better. "At the basic end of industrial chemicals, certainly, there is evidence that the first quarter is the end of a pause period and, if the world continues to grow, we should see it continuing upward", he said.

About the only bright spot was the materials business, including acrylics, polyurethanes and films, where profits soared from £29m to £61m.

## Retail revival steady but slow

**DIANE COYLE**  
Economics Editor

Steady but slow growth in retail sales last month showed that claims of an early return of the feelgood factor have been exaggerated.

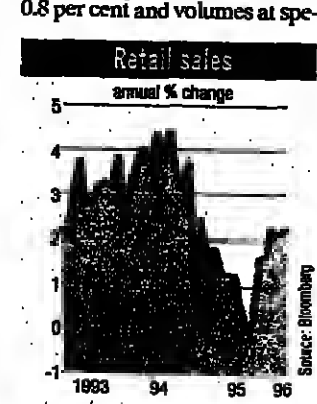
Annual growth in the volume of sales on the high street returned to its highest rate for just over a year, but the increase during March disappointed City expectations.

If figures for GDP due on Monday show the economy grew only modestly during the first quarter of this year, many analysts expect Chancellor Kenneth Clarke to sanction a further cut in the cost of borrowing. Next month's monetary meeting on 8 May, a few days after the local elections, is seen as the likeliest date for a move if there is going to be one.

"The trend in retail sales is quite good and getting better. But the improvement by itself does not rule out a further interest rate cut," said Adam Cole, an economist at brokers James Capel.

The volume of sales rose by a very modest 0.2 per cent in March, less than expected because February's figure was revised upwards. Sales grew 2.2 per cent in the year to March, the same as in January and otherwise the highest since February 1995.

Labour seized on the small monthly increase to throw doubt on the Government's claim to confidence is reviving. "These disappointing retail sales figures are confirmation of sluggish growth and consumers' apprehension about economic prospects," said Andrew Smith, shadow chief secretary to the Treasury.



STOCK MARKETS				
Index	Close	Day's change	Change (%)	1995/96 High
FTSE 100	3819.30	+1.70	+0.0	3857.10
FTSE 250	4553.30	+8.00	+0.2	4563.30
FTSE 350	1932.40	+1.50	+0.1	1945.40
FT All Share	2216.75	+9.80	+0.4	2216.75
FT Small Cap	1914.27	+2.02	+0.1	1924.17
New York	5512.36	-41.54	-0.7	5609.74
Daily	2229.19	-51.95	-2.3	2229.19
Hong Kong	10733.38	-145.31	-1.3	11584.89
Frankfurt	2532.41	-5.85	-0.2	2538.26

INTEREST RATES				
Short sterling	UK medium gilt	US long bond	3 month	6 month
5.94	6.38	7.99	8.40	8.10
5.38	5.99	6.59	7.05	6.84
0.50	1.09	2.41	2.61	-
3.28	3.28	5.37	7.04	7.11

CURRENCIES				
£/\$	£/DM	£/Y	£/A\$	£/NZ\$
1.5114	0.6616	1.6178	0.6616	0.6181
1.5128	0.6610	1.6168	0.6610	0.6186
2.1118	0.9304	2.2218	0.9304	1.3734
180.882	10.502	135.256	10.502	83.850
84.3	4.0	84.7	4.0	87.6

OTHER INDICATORS				
Oil Brent	Gold	Base Rates	Index	Latest Tr. Yr. Best Figs.
20.08	394.35	8.00pc	151.5	147.5
-0.27	+3.95	-	147.5	147.5
19.85	387.30	-	147.5	147.5
151.5	107.0	-	147.5	147.5









## COMMENT

'By blocking out the generators Ian Lang has left the electricity industry in a state of undiluted confusion'

## A waste of everyone's time, money and energy

The more Ian Lang's decision to block bidding for regional electricity distribution companies is examined, the more bizarre it appears. Mergers policy and, more particularly, the future of the power industry seem to have been left in a mire of uncertainty; if the Trade Secretary's intention was to calm things down, to put the lid on the frenzy of takeover activity in the sector, what he has achieved is the reverse. His decision may have created more problems than it solves.

Taking it from the top, the first effect is to expose the two distribution companies that National Power and PowerGen were bidding for to the strong possibility of takeover by overseas companies. Since Mr Lang has already allowed foreign takeovers for other distribution companies, he could hardly justify blocking them in this case. Midlands is said to have received a couple of alternative approaches already.

The second effect might be to halt the sale by PowerGen of generating plant to Eastern Electricity, now part of Hanson, since this deal was conditional on PowerGen succeeding in its bid for Midlands. If in turn PowerGen fails to go through with the sale, there is likely to be a fresh Monopolies and Mergers Commission inquiry into its failure to comply with the regulator's demands. That would almost certainly broaden out into an examination of the generating market more generally, undermining the Government's proposed flotation of British

Energy, the nuclear power company, on the stock market.

The third effect is to throw Eastern's expansion into generation through the acquisition of plant from National Power and PowerGen into doubt. If vertical integration is not allowed for National Power and PowerGen, why for Eastern?

Mr Lang's own view, which although it may not be shared by his own department is certainly also the view of Number 10 and the Treasury, is that he has acted in an entirely logical fashion, in accord with a vigorous free market approach to competition policy. He argues that if you are going to get proper competition in the electricity market after 1998, the target date, the last thing you should be doing is allowing overly powerful generating companies to gobble up the supply side of the industry now. Once competition is properly developed, well then maybe, but not now, when the generators would be able to use the distributors as a captive market for their own output.

But while there may be something in this argument, there is no doubt that by blocking out the generators he has left the electricity industry in a state of undiluted confusion. By sticking two fingers up at the Monopolies and Mergers Commission, which recommended that the bids should be allowed to proceed if certain conditions were met, he has also in effect assigned that august body to the dustbin of history. What's the point of having an MMC if its recommendations do not carry any weight? You got it wrong, Mr Lang. In effect telling Graeme Odgers, chairman of the MMC.

An overhaul of the competition authorities is long overdue and if that is the upshot of the power shenanigans, then it may be no bad thing. What to do about the electricity industry is a much more difficult question to answer, but certainly ministers need to spell out much more clearly what is acceptable and what is not. Ed Wallis, chief executive of PowerGen, would never have bid for Midlands were he not given some encouragement by ministers to believe it was acceptable. In any case, after Mr Lang's decision to allow vertical integration in the case of Scottish Power's bid for Manweb, it was entirely reasonable to think that it might be allowed in other cases too. If Mr Lang's position is that it is allowable, but only when the generator's share of the market is below a certain level, then he should say so and define what that benchmark is.

By allowing these questions to go unanswered, the Government has wasted everyone's time, money and energy.

### Acquisition is the way for Woolwich

Woolwich Building Society's belief that flotation is a strategy sufficient in itself to take the company into the next century has never been entirely credible. The

fact that the society has been putting itself about quite vigorously in recent months among a handful of life mutuals suggests that it doesn't buy its own story either.

Retail financial services is already an overcrowded sector. From all directions, building societies, insurers and clearing banks are elbowing each other to get onto the same patch of lucrative turf, where financial conglomerates will take deposits, sell mortgages, pensions and insurance, and look after long-term savings and investment requirements across the board. A number of building societies have such pretensions. In the crush, however, only a few will succeed. Of the pretenders, Woolwich's prospects look among the shakier. Halifax, which is also converting to bank status next year, benefits from being the biggest and arguably the best of the old mutuals. Alliance & Leicester, although on the small side, has the advantage of already being significantly more diversified than most societies, with about 40 per cent of its profits coming from non-mortgage-related business.

Woolwich has no such obvious advantages. It is a successful, large building society, but will make a vulnerable, middle-sized bank. Shaken by the controversial sacking of Peter Robinson, its chief executive, a few weeks ago, Woolwich is probably getting more than a few calls from interested acquirers. There are enough about, the Scottish and Irish banks, the Pru and BAT among them. The best defence against such predatory atten-

tion is to break out quickly from this uncomfortable middle ground by acquiring something itself. But the problem with the life mutuals is that they are flavour of the month. A host of big players, such as the Pru, Sun Alliance, Abbey National and NatWest, are furiously jockeying to buy, and several deals are said to be bubbling just below the surface. Whether Woolwich still has the wherewithal to buy before being bought is anyone's guess.

### Tottenham wastes some money

There are plenty of things to question about Tottenham Hotspur's £11m rights issue but one of them is why Alan Sugar's North London football club is paying the City a not-insubstantial sum to raise capital at all. The money is being raised via an underwritten one-for-four rights issue at 380p a share. We must await the documentation to see the cost of this exercise but underwriting is always expensive. It is also, for capital-raising purposes, at least, a waste of money. Tottenham could have raised the same amount through a non-underwritten deeply discounted rights issue. No risk, no need to underwrite. Provided shareholders are protected through pre-emption rights, there is no obvious reason why companies should persist with the City's preferred way of raising money.

## BET claims Warburg in breach of Panel rules

MAGNUS GRIMOND

BET yesterday accused SBC Warburg, Rentokil's broker, of breaking the takeover rules, just a day before the £2bn bid for the business services group is due to close.

The latest spat between the two sides followed SBC Warburg's sale on Wednesday of 27 million BET shares to Salomon Brothers for onward transmission via Hoare Govett to a Rentokil associate, Retailpac.

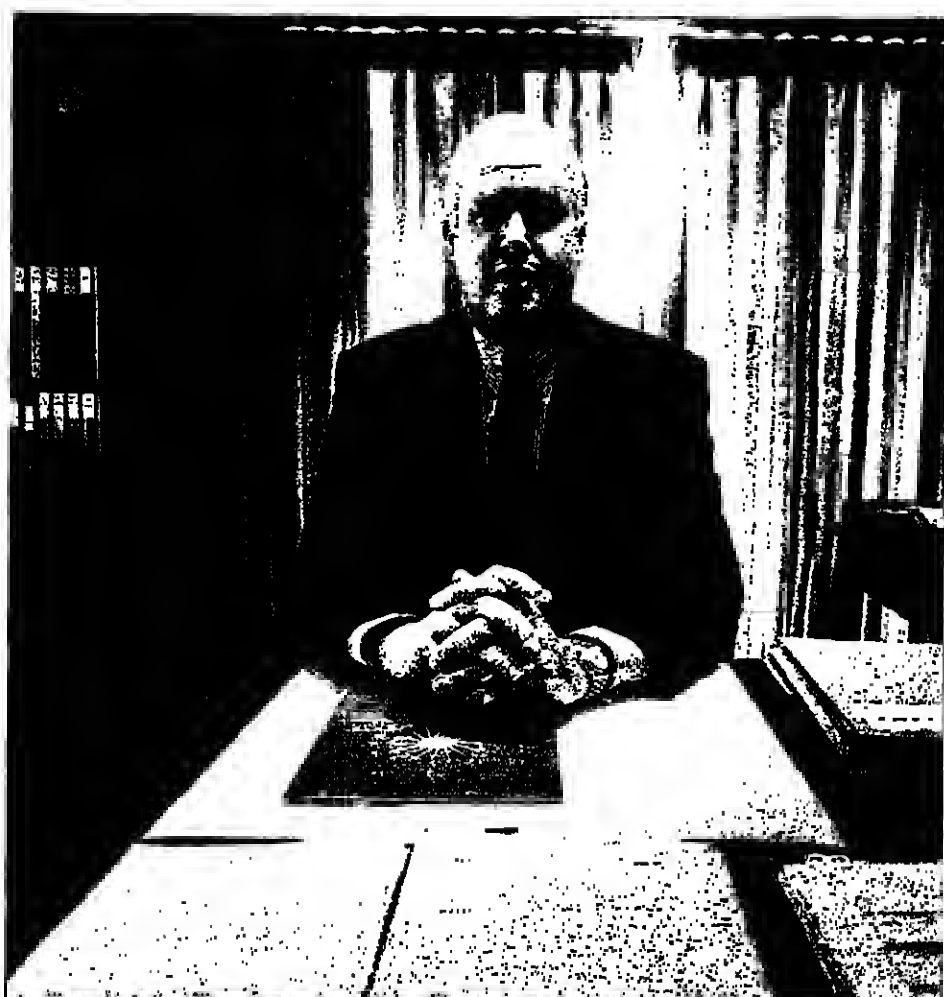
BET, led by chief executive John Clark, claimed that the deal breached Takeover Panel rules, which prevent Warburg, as broker and underwriter to the bid, carrying out any dealings "with the purpose of assisting the offeror or offeree company."

Initial investigations by the executive of the Takeover Panel, which oversees bid and deals in the City, suggested that no rules had been broken. The panel said: "On the basis of the explanations received so far, the executive does not believe any such breach has occurred."

The executive is understood to have made its initial ruling following interviews with representatives from Warburg, Salomon and Hoare Govett and having listened to tape recordings of relevant telephone conversations. But the panel was still having discussions with BET's advisers last night, leading to speculation that it may change its stance. BET had claimed that the shares, representing just under 3 per cent of the group, should be disallowed as acceptances to the Rentokil bid.

By Wednesday evening, the bidder had amassed a 7.5 per cent holding through purchases in the market and claimed a further 3.4 per cent from earlier acceptances received. Rentokil shrugged aside the dispute and bought a further 500,000 shares yesterday at the cash alternative price of 202.5p. Clive Thompson, the chief executive, remained optimistic about the outcome. "We remain confident. We have now completed our rounds of presentations to institutions. We have now done over 50 and I am delighted at the way they have been received."

Mr Thompson said he had received a great deal of support. "BET's shares dropped 1p to 203p yesterday, just above the level of the cash alternative, but they remained well below the main cash-and-shares offer. That was worth 216p a share last night, after Rentokil's shares added 2.5p to 360p. The bidder's revised offer is for nine new shares plus £10 in cash plus dividend payments totalling 80p for every 20 shares in BET."



Crying foul: John Clark, BET's chief executive

Photograph: Edward Sykes

tioned deeply what we will do with BET... and my reading of the outcome of these presentations is that we will have a high level of support."

He dismissed the latest BET complaint to the Takeover Panel as a technical matter. "We would expect the panel to confirm their preliminary statement," he said.

BET's shares dropped 1p to 203p yesterday, just above the level of the cash alternative, but

they remained well below the main cash-and-shares offer. That was worth 216p a share last night, after Rentokil's shares added 2.5p to 360p. The bidder's revised offer is for nine new shares plus £10 in cash plus dividend payments totalling 80p for every 20 shares in BET.

This is not the first time the Takeover Panel has intervened in the bid. In February, the panel criticised Lazard Brothers,

one of Rentokil's advisers, for failing to keep it informed about its client's intentions. Bill Staple, then director general, voiced concerns about a market leak prior to the announcement of the bid. Earlier this month, the panel called on NatWest Markets to make clear its position as underwriter to the bid after its broker arm issued a research note which described the initial offer as generous.

## Jewel in C&W's crown loses some of its lustre

Developments in Hong Kong over the past few days suggest that the jewel in the Cable & Wireless crown, so eagerly sought by BT, is not glittering as once it did.

Early in the week the colony's telecommunications regulatory authority ruled that the C&W-controlled Hongkong Telecommunications will lose a valuable part of its international network monopoly as competition would be introduced on the provision of fax and data services, alongside several specialist areas such as private internal networks and video-conferencing services.

HKT put a brave face on the decision saying it welcomed "the clarification" of its role as an exclusive service provider and noted that its voice monopoly remained intact.

However, this week has also seen pressure being exerted on that monopoly from the World Trade Organisation which is discussing liberalisation of telecommunications services in Geneva.

The HKT international telecommunications monopoly, which lasts until September 2006, is by far the most lucrative part of the company's operations and is primarily responsible for the estimated 70 per cent of C&W's entire operating profit which comes from Hong Kong. HKT is 57.5 per cent owned by C&W.

Last year HKT lost its domestic network monopoly when three other companies were given permission to establish rival networks. However, there is little money to be made from

### A tighter grip on Hongkong Telecom will weigh on profits, writes Stephen Vines

the low price domestic network. Indeed, HKT is running into a political storm as it tries to abolish the colony's cherished system of not charging for local calls, other than by way of a low monthly line rental charge.

The real money is in the international service, particularly high-growth areas such as data communications. HKT says that 17 per cent of its international traffic consists of fax and data transfer.

Data traffic is growing faster than voice traffic, so the loss of the monopoly in this sphere will impact on future profits.

Alistair Grieve, HKT's deputy chief executive, maintained that the overall impact of the change would only be "slightly negative" because increased competition "will result in increased demand for service from all players". However it is clear that HKT's margins will be cut. The company is already talking about reducing international fax charges.

BT should not be surprised by the diminution of HKT's monopoly because the colony's regulatory authorities have been considering this matter for some time.

Never the less it is unlikely that BT has allowed for any change in HKT's international

voice network monopoly. The colony's government has confirmed its intention to "honour the exclusivities already granted" to HKT, but if C&W relinquishes control of the company its exclusive licences will have to be reviewed, providing an opportunity to change the rules of the game.

Although there has been much speculation over China's attitude towards BT taking a controlling stake in HKT, the government in Peking has maintained a marked silence in this matter. Past experience suggests that if the Chinese government had a strong view, it would have been forcefully expressed by now. China resumes sovereignty over Hong Kong next year and is carefully watching how the outgoing administration deals with its privately-owned utilities.

China is keen to gain admittance to the WTO and is having difficulties doing so because of its many trading practices which are viewed as anti-competitive. It does not, for example, allow foreign participation in the running of its telecommunications networks.

A concession to liberalise the Hong Kong telecommunications market may therefore figure among the gestures China would be ready to make in advancing its claim to membership.

Last night Hong Kong government officials were saying that the existing monopoly would not be broken but were giving no guarantees about what would happen if the current network fell under BT's control.

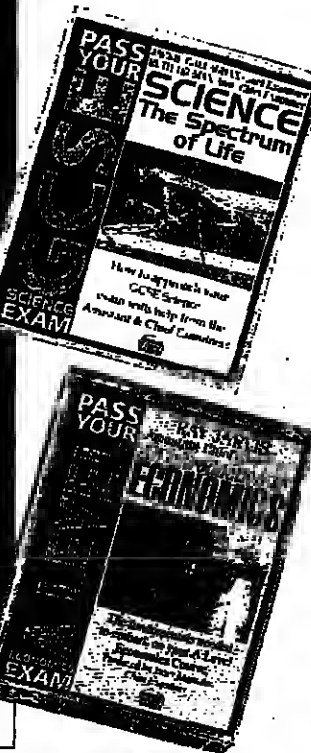
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The GCSE exams are fast approaching, and to help students perform to the best of their abilities. The Independent and the Independent on Sunday have teamed up with Arc Publishing to offer readers the chance to obtain a free audio study aid. When you buy one for £9.99, you can choose another for free. Or if you buy two for £19.98, you can choose three more for free, saving £29.97.

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The range also extends to ten of the most popular set texts on the Literature syllabus - and some of these titles consist of four cassettes. Each of the literature titles includes a superb reading or a definitive performance by legends of television and film - such as HarperCollins' Macbeth and Orwell's own radio adaptation of Animal Farm licensed from the BBC. Dr Rod Mengham and Ian Patterson of Cambridge University provide spoken notes explaining exactly what students should be listening for. These are informative and entertaining study aids designed to make subjects 'come alive' and to help students do well in their exams.

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A different numbered token will be printed each day until Saturday 27



Lit: Roll of Thunder, Hear my Cry  
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THE INDEPENDENT

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6

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April. Token 6 is printed today. Our final token, Token 7, will be printed tomorrow.

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An order form was printed in Wednesday's Independent. Once you have completed the order form, send it with your

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Lit: Animal Farm  
Lit: Henry V  
Lit: Tess of the D'Urbervilles  
Lit: Macbeth  
Lit: Twelfth Night  
Lit: Far from the Madding Crowd  
Lit: Merchant of Venice



# National Power bleeds despite talks of a dawn raid

**DATA BANK**

<b>FT-SE 100</b>
3819.3 +1.7
<b>FT-SE 250</b>
4553.3 +8.6
<b>FT-SE 350</b>
1932.4 +1.5
<b>SEAQ VOLUME</b>
882.3m shares,
34,687 bargain
<b>Gifts Index</b>
92.73 +0.06

## SHARE SPOTLIGHT

share price, pence

Month	Share Price (pence)
April	10
May	20
June	60
July	40
August	50
September	45
October	40
November	45
December	40
January	45
February	40
March	45
April	40
May	45

Chiroclease

**National Power** could be the subject of a dawn raid today. The story swirling around the stock market in late trading was that Southern Company, the American group that wrong-footed the alleged experts with its declaration of affection for NP last week, had decided to plough into the market, regardless of the Government's rejection of NP's Southern Electric takeover bid.

Although US regulatory restrictions could prevent an early Southern strike the market was not prepared to dismiss the rumours. It was uncertain whether the shock intervention by Board of Trade president Ian Lang ended Southern's acquisition hopes. Surely, it was argued, if some generator excursions into distribution were allowed Southern must have a chance of competing for NP.

When the NP affair flared it was said Southern was prepared to sell around half of its

**UK electricity distributor, South Western Electricity. Whitehall could have difficulty dismissing Southern's NP ambitions if it downscaled its distribution involvement.**

In all the excitement the smell of burnt fingers continued to waft around the market. NP fell a further 8p to 556p and PowerGen 15p to 555p.

Some of the distributors perked up as PG underlined the market's feeling that Mr Lang's decision to block the NP & PG bids for Southern and Midlands Electricity left the distributors at the mercy of overseas marauders.

Most distributors advanced with the market convinced the electricity battle remains alive and dangerous.

Trading, Mr Ian Lang's shock statement, has been heavy and speculators have suffered serious losses. The FT-SE 100 index, after an uncertain run, managed to

end with a modest gain, up 1.7 points at 3,819.3. The supporting index was again on a roll, up 8.6 to another peak of 4,553.3.

The outstanding performer of the day was not big enough to claim membership of either index. Chiroscience, with a stock market value of around £300m, surged 117.5p to 400p.

The excitement stemmed from an analysts meeting at which upbeat comments were made about the group's drugs pipeline, including its cancer drug. It has apparently created a number of compounds which could have cancer uses. What intrigued many was the suggestion, Chiroscience had

developed compounds superior to those being produced by high-flying rival British Biotech, due to make an important presentation next

portant presentation next month. Biotech took the competition in its stride, up a further 48p to a peak of 2,808p.

Granada was squeezed ahead 2p to 842p as the sale of the Forte Meridien hotel chain looked near. Accor, the French group, decided to make it known it had put together the resources to buy Meridien.

Gerard Pelisson, joint chairman, said: "We are still awaiting Granada's offer terms but when they come we will be among the most interested

To honour its commitment to slash its Forte debt mountain by September Granada could feel a Meridien sale is its best option. The 86-strong chain, which has also attracted former Forte chief Sir Roc-

Stories Hanson was on the verge of selling its stake in National Grid failed to be substantiated and Grid shares fell

stagnated and Grid shares fell 3.5p to 198p.

Imperial Chemical Industries' flat quarterly results – and its failure to acknowledge any share buy-back plans – left the shares nursing a 28p fall to 926p. Rolls-Royce drew strength from its US presentations, climbing 3p to 244p.

Perpetual, the fund management group, was back in the limelight with a 132p gain to 2.345p. It was the usual mix of bid rumours, a German strike, or perhaps more fundamental

ant unit trust sales. However, the price war instituted by Legal & General could be seen as a likely constraint on Perpetual's seemingly relentless growth.

Ibstock's emergence as an important bricks player lifted the shares 11p to 85.5p. Greenalls, on the Panmure Gordon recommendation, gained 13.5p to 629.5p.

It is difficult to imagine how much longer the Ladbroke saga can continue. Presumably it has yet to collect a bid, otherwise it would be bound to make a statement. So it must be assumed that its talks with Hilton Hotels Corporation are strength-

Harvey Nichols, the trendy London department store, is expected to enjoy a bumper session when trading starts today. The shares were placed at 270p and a 300p-plus level is expected. The market demonstrated its appetite for attractive new issues when it embraced Millennium & Copthorne Hotels and Phytopharm, a medicine developer. The hotel group, placed at 278p, closed at 332p and Phytopharm, offered at 175p, ended 195p, ending at 178p.

**□ Brent Walker, the battered** remains of George Walker's empire, is proving there is life after death. The shares rose 0.5p to 4p, highest for two years. Assets, largely the William Hill betting shops and the Pubmaster pubs chain, are insufficient to cover debts. Punters are expecting a deal soon.

## TAKING STOCK

[illegible]



Minister  
fears  
row over  
help for  
elderly

# The Greenbury effect – is it pushing pay higher?

ECONOMIC VIEW  
PETER RODGERS

Could the Greenbury rules that force disclosure of the full details of pay at the top of Britain's corporate hierarchy be about to prompt another upward ratchet in boardroom earnings?

Some directors of large companies are already claiming that the latest crop of annual reports is encouraging rather than restraining pay rises, because they set out in such detail the remuneration packages of every director on the board.

A lot of people have assumed that complete transparency on pay would embolden the fat cats out of existence and give new leverage to institutional shareholders to impose restraint on directors.

The contrary view is that there is no better way of making a long-serving and loyal executive director restless about his pay than constant publication of the details of the packages of people in comparable jobs in other companies. Many company reports now have half a dozen pages of details about executive rewards.

Furthermore, those who change jobs tend to increase their earnings faster than those who stay, which makes long-serving directors still more restless.

When annual reports published only the earnings of the chairman and the highest-paid director (whose name they were not obliged to disclose) there was much less information available for individual directors to make judgements about their positions on the pay ladder.

This could, of course, be yet another self-serving argument for putting the brakes on the Greenbury handwagon. After all, a rearguard action by the Confederation of British Industry against disclosure of the full details of funding directors' pen-

sions seems to be on the point of succeeding. That could take the teeth out of a central Greenbury recommendation. On the other hand, there is evidence that greater circulation of information is already responsible for accelerating boardroom pay increases.

Comparisons of earnings at the top are far from a new phenomenon. There was and still is a whole industry of remuneration specialists researching the going rate for senior jobs. They acted as consultants to the

discovery – and therefore a more open and liquid market in top executives – is helpful to those who justify high pay increases on the grounds that the rates are set by an open market for top talent.

Ignore the market rate and you lose your best people; make the market work better and more transparently and you have a respectable justification for paying the going rate, however high it may be.

In theory, a once-and-for-all improvement in the flow of information

## Greater circulation of information is responsible for accelerating pay rises

board, advising what executive directors should be paid.

Board remuneration committees assumed they must pay above the median salary for the job to attract and keep the best talent. Since most aimed for the same objective, the median automatically rose.

It is therefore hard to dismiss out of hand claims that the far greater degree of disclosure imposed after the Greenbury report could accelerate this process by ramming home for executives exactly what they and their competitors earn. The shop floor used to call such pay rises parity claims, and they were very destructive, especially in the motor industry. This trend towards more

information inside a marketplace ought to affect the prices paid, as any broker will tell you. Unfortunately, pay tends to ratchet in one direction, which is upwards. There is little pressure to cut back the rewards of those who may be overpaid already, but there tends to be much less resistance to increases. Executive pay will adjust upwards not downwards.

If this is correct, we may not see many signs of Greenbury-inspired restraint when the results of the current executive pay round are analysed in detail later this year. Indeed, the Greenbury report has a built-in mechanism that could keep remuneration in the best-performing companies rising strongly for

some years to come. Everybody seems to agree with the report's suggestion that it is a good idea to replace share options, notorious for rewarding directors for movements in the stock market rather than improvements in performance, with properly constructed long-term performance schemes maturing three or more years ahead.

The advantage of a well-constructed long-term performance scheme is that it pays only on the basis of assets. Most institutional shareholders are perfectly happy with big pay rises on the boards of the companies they own if directors' performance is seen to justify them.

But when those schemes pay out, some will make recent awards look modest. Will the rest of the body politic, and especially a Labour cabinet looking for reforms of corporate governance and perhaps higher top marginal tax rates, have the same understanding as fund managers?

ICI set up a performance-related long-term scheme for Sir Ronnie Hampel, its chairman, in 1993, well before the Greenbury report was thought of. It came to fruition last year with a £425,000 payment, so Sir Ronnie took home 42 per cent more than a year earlier, although his basic salary dropped as he changed from chief executive to chairman.

As a performance reward, after a demerger of ICI, the overall package was perfectly acceptable in Greenbury terms. But it looked bad in the headlines, particularly as Sir Ronnie is chairing the new corporate governance committee that will monitor the Greenbury rules.

Looking ahead, British Aerospace set up a long-term performance scheme, in accordance with Greenbury, while at the same time



Feeding frenzy: Lunchtime at this week's Institute of Directors convention at the Albert Hall. Information about colleagues' pay makes directors restless about their own. Photograph: Edward Webb

announcing modest single-figure pay rises for its directors this year. Assuming that BAE performs well, there could be some hefty rises in remuneration to report in a few years' time. Will this be another case of a long-term performance scheme that looks good at the start but attracts flak when it pays out?

There is hardly anybody, even among those on company boards most worried about the impact of the new levels of disclosure, who believes the clock should or could be put back.

So if companies want to justify the rewards coming through from long-term incentive schemes over the next few years they will have to think rather carefully about how they implement and justify the schemes.

The performance criteria for long-term bonuses will have to be extremely demanding. Most of them are incomprehensible without an analyst and an actuary at your elbow, so ways will have to be found to make them more easily understood.

That may demand even greater

levels of disclosure, with the annual report giving measurements of the directors' achievements to set alongside their bonuses, spelling out every detail of the reasons for the payment. Companies are in deep on disclosure, but will be forced still deeper.

Whether full disclosure turns Britain into a country in which high rewards for high performance are generally acceptable is another question altogether. We will see when those new long-term incentive schemes start paying out.

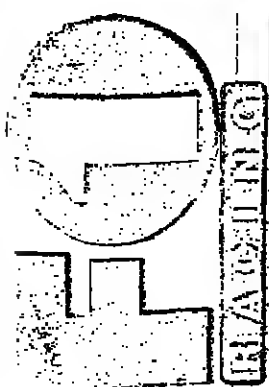
## Foreign Exchange Rates

Country	Spot	1 month	3 months
US	1.534	8.4	21.1
Canada	2.082	1.3	5.3
Germany	2.216	63.46	159.49
France	78061	102.10	436.40
Italy	22804	75.90	221.246
Japan	16036	75.70	225.276
ECU	12298	15.11	49.40
Belgium	47519	9.15	29.29
Denmark	81917	77.33	592.436
Netherlands	25576	68.59	197.184
Ireland	10693	10.4	24.18
Norway	93251	16.64	329.233
Spain	16168	26.38	72.89
Sweden	95.226	9.15	29.29
Switzerland	12687	68.58	196.184
Australia	15996	20.31	67.95
Hong Kong	10890	10.61	234.70
Malaysia	37882	0.0	0.0
New Zealand	22136	43.57	133.58
Saudi Arabia	58690	0.0	0.0
Singapore	2287	0.0	0.0

## Interest Rates

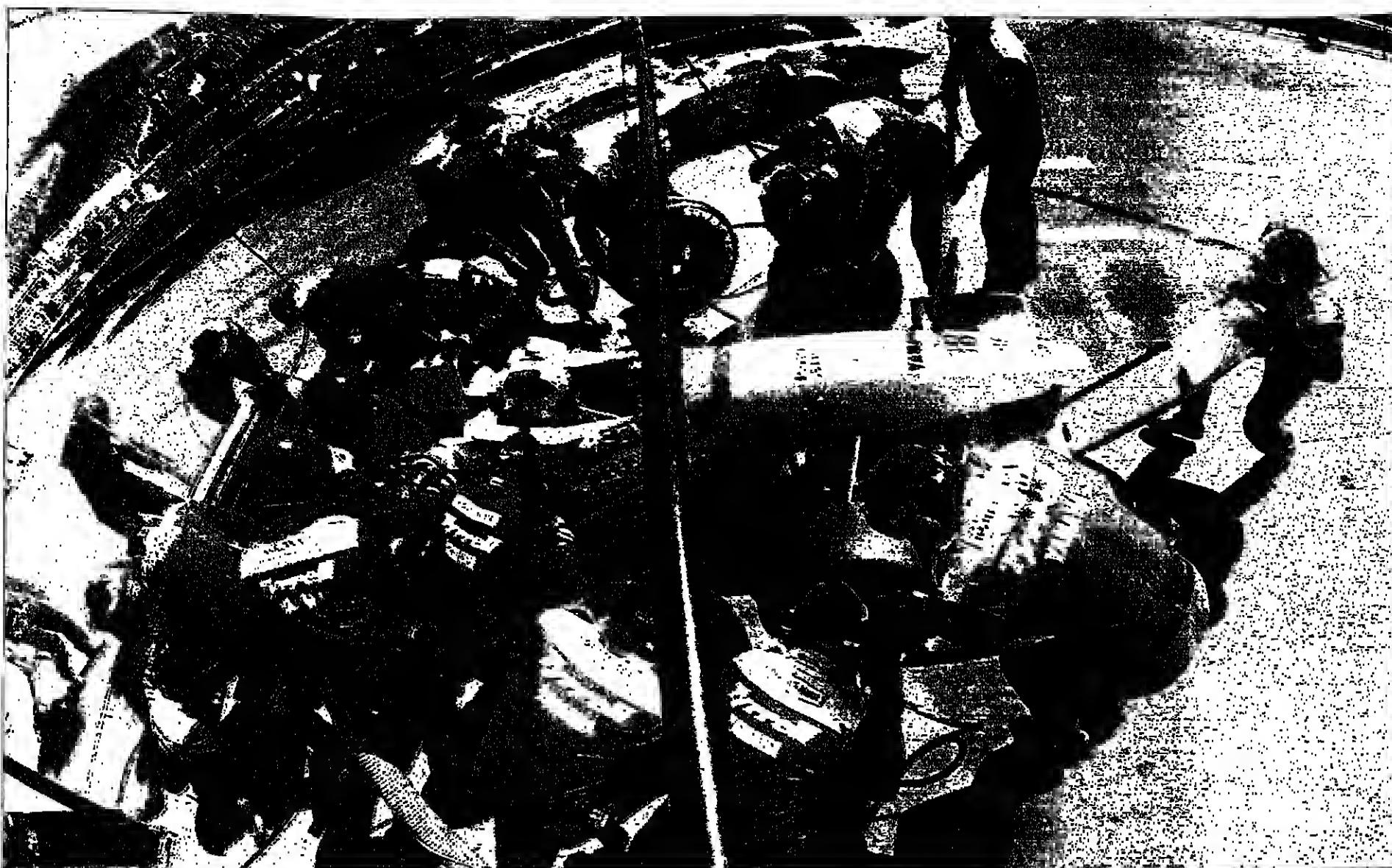
Country	Rate	Country	Rate
UK	6.00%	Germany	2.50%
France	3.00%	Canada	5.00%
Italy	3.00%	Denmark	7.00%
Netherlands	2.70%	Sweden	3.25%
Belgium	2.70%	Switzerland	3.25%
Japan	5.50%	US	5.50%
Spain	5.50%	Portugal	10.00%
Greece	10.00%	South Africa	10.00%
India	10.00%	China	10.00%
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France	10.00%	Germany	10.00%
Germany	10.00%	Italy	10.00%
Italy	10.00%	Spain	10.00%
Spain	10.00%	Portugal	10.00%
Portugal	10.00%	Greece	10.00%
Greece	10.00%	South Africa	10.00%
South Africa	10.00%	India	10.00





THE INDEPENDENT

# PLAY FORMULA 1 DREAM TEAM



## WIN a drive in a Grand Prix car

**European GP**  
April 28  
**San Marino GP**  
May 5  
**Monaco GP**  
May 19  
**Spanish GP**  
June 2  
**Canadian GP**  
June 16  
**French GP**  
June 30  
**British GP**  
July 14  
**German GP**  
July 28  
**Hungarian GP**  
August 11  
**Belgian GP**  
August 25  
**Italian GP**  
September 8  
**Portuguese GP**  
September 22  
**Japanese GP**  
October 13



**F**ormula 1 Dream Team is just like Fantasy Football: you pick and manage your dream grand prix team to score points over the coming season.

Even though the grand prix season has started, it is not too late to join in: pit your wits against other enthusiasts and you could win our overall 1996 champion's prize, a drive in a Formula One car plus additional prizes for each race.

Your team must comprise three drivers, a chassis and an engine; your budget is £40 million. Make your selections from the grand prix shopping list printed below; the only restriction is that your third driver must come from the £1 million category.

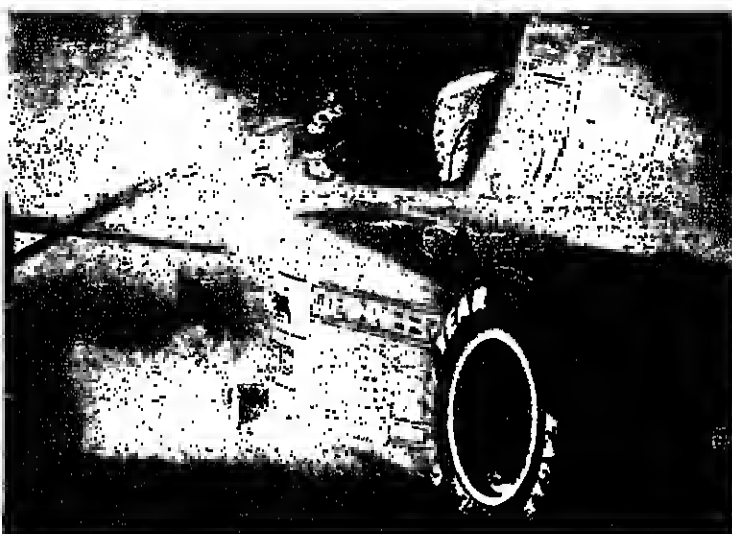
Details of how to enter are given on this page. You can enter a team at any point during the grand prix season but the earlier you enter, the greater your chances of being our overall champion. Remember, there are prizes for the winning Dream Team in each individual grand prix so you can enter a different team for each race.

### HOW YOU SCORE

Points are awarded per race to the top six finishers, based on the Formula One World Championship points scoring system (10, 6, 4, 3, 2, 1) but with an extra 10 points awarded to each of the top six finishers.

All drivers are eligible to score for a top six finish but can also notch up extra points as follows:

- The fastest driver in race-day warm-up will collect six points, with five for the second and so on down to one point for the sixth quickest.
- Drivers score one point for each place they make up over their grid position. Points are not deducted by losing places.
- Five points are lost if your driver posts first retirement, four for second down to one point lost for the fifth retirement.
- If your driver makes the quickest pitstop (from the entry of the pitlane to the exit) you gain five points.
- If your driver sets the fastest lap time in the race, you gain five points.
- If your driver receives a stop/go penalty, you lose five points.
- If your driver starts on pole position, you gain five points.
- The Independent will name a Driver Of The Day after each race for a particularly impressive performance, worth five points.
- Non-qualification for a grand prix loses you two points. If a driver is on the FIA's published starting grid but fails to take the start, no points are lost.
- Drivers removed from the results for any reason lose all points gained that weekend. Any driver not competing in a grand prix weekend scores no points.
- Chassis score and lose points in the same way as drivers for a top six finish or any early retirement. The score is based on the first chassis home of that particular manufacturer. Likewise, only the first chassis retirement will count if they are both among the first five to retire.
- Engine rules are the same as the chassis rules, without the retirement penalties.



### DREAM TEAM TOP PRIZE

The Dream Team manager with the highest number of points at the end of the Grand Prix Championship season will win our top prize - a drive in a 650bhp F1 car. You will be flown to the AGS team's training school in the south of France for the most exhilarating experience of your life. The school specialises in F1 courses and provides all the racewear and instruction you will need for the day.

### EUROPEAN GRAND PRIX PRIZE

The Dream Team manager with the highest number of points following the European Grand Prix will win a trip for two to the Spanish Grand Prix on June 2. We have two grandstand seats in prime position, from which you will be able to see all the action on the Barcelona circuit.

### Argentinian Prize Winner

Congratulations to Joe Budynowicz from Hornchurch, Essex with his team Pistons Broke 4. He has won an initial trial at the Nigel Mansell Racing School.

### HOW TO ENTER

Choose your Dream Team from the shopping list on this page. Remember, you must choose three drivers (the third from the £1 million section), one chassis and one engine. You must not exceed your budget of £40 million.

Give your team a name and register it by ringing 0891 891 805.

You will immediately be asked the entry question: How many races are there in this year's Formula One World Championship?

To enter your Dream Team details you can use one of two methods.

Method 1 uses a tone phone that lets you key in the code numbers of your driver, chassis and engine choices. The computer will check that your team falls within budget and is eligible.

Method 2 uses a non-tone phone and you give your details verbally. A budget check is not possible using this method.

When you have registered your Dream Team, you will be asked to predict the number of points this year's champion will notch up over the year. In case of a tie at the end of the season, the nearest figure to the champion's points will win the top prize. In the event of a further tie, the team that registered first will win.

Once you have registered your team you will be asked for your name, address and telephone number. Your team selections plus your personal details will be played back to you and, when you confirm that they are correct, you will be given a PIN number.

This is confirmation of your entry and will enable you to access the score checking line.

There is no limit on the number of teams an individual can enter, but only one team can be registered per call.

### CHECKING YOUR SCORE

You can check your team's position at any time by calling 0891 891 806 and quoting your PIN number. If you want to know the individual driver, chassis and engine scores from the most recent race, call 0891 891 807. This line will also list the Top 50 Formula One Dream Teams.

### Rules

1. All telephone calls are charged at 39p per minute cheap rate, 49p per minute at all other times, with a typical call to secure your entry lasting between five and seven minutes.
2. The deadline to be included in a particular race is midday the Friday prior to that race.
3. The judge's decision is final, no correspondence will be entered into and there is no cash alternative for prizes.
4. Employees of Newspaper Publishing Plc, Haymarket Publishing Ltd and all associated companies and their families are ineligible.
5. Entrants must be 18 or over and residents of the UK or the Irish Republic.
6. To be eligible for the main prize, you must hold a current driving licence, be no more than 1.95m tall and weigh no more than 220lbs.
7. All scores will be worked out according to the official FIA time sheets produced at the meeting. The values stated for drivers, engines and chassis bear no relation to real life.
8. In the event of a tie for the Dream Team Top Prize or for any of the individual race prizes, the team that registered first will win.
9. For lost PIN numbers, call 0891 891 808. Helpline: 01275 344183.
10. The Top 50 Teams Line, lists the top 50 teams from the last race. Both the Team Position Check Line and the Results & Top 50 Teams Line will be updated at 2 pm on the Monday following a race.

## Make your selection from the Grand Prix Shopping List

### DRIVERS

£25m  
1 M Schumacher  
£23m  
2 J Alais  
3 D Hill  
£20m  
4 G Berger  
£18m  
5 D Coulthard  
6 E Irvine  
7 J Villeneuve  
£15m  
8 M Hakkinen  
9 H H Frenzen  
£10m  
10 M Brundie  
11 R Barrichello  
12 J Herbert

### £6m

13 M Salo  
14 P Lamy  
£4m  
15 P Diniz  
16 U Narayana  
17 J Verstappen  
18 O Paris  
£3m  
19 L Badoer  
20 R Rosset  
21 A Montemini  
£2m  
22 G Fisichella  
23 V Sospin  
24 T Marques  
25 F Lagorce  
26 H Noda  
27 T Inoue

### £1m

28 M Blundell  
29 J-C Bouillon  
30 K Brack  
31 K Burt  
32 E Collard  
33 N Fontana  
34 D Franchitti  
35 N Lanni  
£1m  
36 J Magnussen  
37 A Prost  
38 G Tarquini  
39 K Wendlinger  
\*Not competing in the European GP but may compete later.

### CHASSIS

£20m  
40 Benetton  
41 Williams  
£18m  
42 Ferrari  
£15m  
43 McLaren  
£14m  
44 Sauber  
£10m  
45 Jordan  
£8m  
46 Ligier  
£6m  
47 Tyrrell  
£5m  
48 Arrows

### £3m

49 Minardi  
50 Forti

### ENGINE

£26m  
51 Renault  
£18m  
52 Ferrari  
£15m  
53 Mercedes  
£12m  
54 Peugeot  
£10m  
55 Mugen  
£8m  
56 Ford V10  
£6m  
57 Yamaha  
£4m  
58 Hart  
£2m  
59 Ford Zetec V8  
£2m  
60 Ford ED V8

DREAM TEAM registration: 0891 891 805

ENTER TODAY

TEAM POSITION CHECK LINE: 0891 891 806  
RESULTS & TOP 50 TEAMS LINE: 0891 891 807

